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# Latin America Report

No. 2371



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**BELAUNDE ANNOUNCES CONSTRUCTION OF NEW OIL REFINERIES**

Lima EL COMERCIO in Spanish 1 Aug 81 p 1

[Text] President Fernando Belaunde Terry yesterday announced the construction of new oil refineries in several areas along the coast, such as Mollendo, Matarani and Lten.

He emphasized that the construction of those refineries has become extremely necessary now that the government has embarked on an aggressive program of petroleum exploration and development.

Belaunde made his statements to newsmen at the end of his visit yesterday to La Pampilla Refinery, where he was received by the firm's manager, Carlos Repeto, and the president of the board of directors of PETROPERU [State Petroleum Agency], Victor Montori Alfaro.

After visiting the installations, he said that many years ago, during his first administration, he had had the satisfaction of dedicating this plant and that now he felt that same satisfaction on seeing the technological advances made during these years.

**Decentralization of the Petroleum Industry**

He indicated that what the government must do now is take another, equally important step, that of decentralizing the petroleum industry.

"This refinery depends on crude which comes from a border zone. We must free the country from this dependency (of depending solely on petroleum from the border zone) and to do this we are encouraging the production of petroleum in the country's central area," he emphasized.

He indicated that at the present time the situation in the central zone is already being studied by Shell, in the area near Atalaya, Pongo de Naynique, Istmo de Ficarral and Codo del Tambo.

Asked whether the construction of new refineries has also been proposed, he said that actually the work to be done also involves the construction of new refineries.

"We are in need of other refineries in other coastal zones, especially in Mollendo and Matarani in the south, and at some point in the north, such as Eten," he said, pointing out that Pampilla will play an important role.

The Pampilla Refinery started up in 1967, producing 1,000 barrels per day. At present it has a daily crude production of about 95,000 barrels. It therefore meets more than 60 percent of the domestic and export market needs.

During President Belaunde's brief visit to the plant, the manager of the firm pointed out to the chief of state the technological advances made by the refinery. He also thanked the president on behalf of all the workers for having achieved the construction of the Pampilla Refinery during his first administration, providing an opportunity to begin "modern refining" in the country.

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CSO: 3010/1711

**NEW OIL WELLS DISCOVERED IN NORTH JUNGLE**

Lima EL COMERCIO in Spanish 5 Aug 81 p A-3

[Text] Two new petroleum discoveries, described as being of "moderate size" have been made recently by Occidental Petroleum Corporation (OXY) under contract with PETROPERU in Field 1-B of our north jungle.

The two wells are part of a program of five wells and several other investments the aforementioned firm proposes to make during the current year to increase available reserves under D.S. 005-81-EM/DGH, statutes of Law 23231, according to a communication from the Energy and Mines Ministry received by our editorial offices yesterday.

The announcement specifies that exploratory well Ceci 1, in Field 1-B, confirms the possibility of producing 1,700 barrels daily of lightweight petroleum of 44 and 42.4 degrees API specific gravity from the two zones in the Chonta Formation, respectively.

The structure is 12 kilometers from the nearest collection point, which is in turn connected to the northern branch of PETROPERU's Nor-Peruano pipeline, which begins in Andoas.

PETROPERU is now working on reinforcing the pumping system of the northern branch so that before the end of 1981 it will be able to increase its transport capacity by 10,000 barrels daily.

It is also studying the feasibility and design of an increase in the capacity of 25,000 additional barrels daily, according to the communique.

Occidental will begin the confirmatory wells immediately to measure the exact size of the new deposit, Ceci 1 (the name honors Cecilia Newton de Malaga, first secretary of OXY in Peru).

In addition it is indicated that the new Jibarito 1 structure (also in Field 1-B) 18 kilometers east of Ceci 1 has produced 1,200 barrels daily of medium heavy petroleum of 14.1 degrees API from the Vivian Formation.

It will be determined in the next few weeks whether this discovery can be commercially exploited.

The well is 6 kilometers from the closest collection point, meaning that the drilling rig will soon be brought to Jibarito Sur, 10 kilometers away, to start a new exploratory well.

The results of this new exploration will confirm whether Jibarito 1 is commercially exploitable, along with a possible new discovery, the Energy and Mines Ministry communication emphasizes.

Finally, it is confirmed that although the new discoveries are of relatively modest size, they mean the successful beginning of a new stage of exploration in the north jungle, made possible by the provisions of Law 23231 approved by Congress in December 1980.

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CSO: 3010/1711

## BRIEFS

OIL RESERVES UP--Proved petroleum reserves amount to 850 million barrels of available plus 1 billion barrels of heavy petroleum, Pedor Pablo Kuczynski, minister of energy and mines, has announced. Saying that figures which indicate that there are 50 billion barrels in reserve are "pure fantasy," he predicted that the available petroleum will last between 10 and 12 years and the heavy from 12 to 13 years. He also indicated that the petroleum discovered by Occidental in Field 1-B will raise our reserves by five percent, but, he explained, it does not change the situation dramatically. In addition, he indicated, the importance of the discovery is not known exactly because they are test wells. He said that he is going to have to see the official newspaper EL PERUANO to read the tale about reserves of 50 billion barrels, adding that that information does not seem to be based on any scientific data since, he said, they are not proved reserves. He also announced, in addition, that negotiations are also under way with the French petroleum enterprise to explore the continental shelf opposite Pacasmayo and with two U.S. groups to explore two fields in the north jungle, as well as with Belco for offshore exploration opposite Talara. [Text] [Lima EL COMERCIO in Spanish 31 July 81 p A-4]

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CSO: 3010/1711

## BRIEFS

LAGOVEN GAS DISCOVERY--Quiriquire, 4 Aug--A well which completed today in this old town yielded very good tests results and indicate great potential for gas and condensates. Well QQ-654 reached a depth of 9,480 feet and was completed in the Jabillos formation. "It produced 23.3 million cubic feet of gas per day and 780 barrels of 57.7 degree API condensate per day," said Roman Ruiz, an engineer who is supervisor of well rehabilitation for LAGOVEN. He said that the three wells drilled previously yielded satisfactory results and will supply 30 million cubic feet of gas for CORPOVEN, which in turn will distribute it in the developing industrial zone at Maturin around the end of the year. Ruiz believes that Well QQ-654 may eventually reach a daily production of 45 million cubic feet of gas and 1,200 barrels of condensates, using an inch reducer and with a flow pressure of 2,000 pounds per square inch. By 1983, LAGOVEN must supply CORPOVEN with 200 million cubic feet of gas a day from this field, which is 65 years old and was the pioneer in the Eastern oil industry. [by Ruben Ferrer Rosas] [Text] [Caracas EL NACIONAL in Spanish 5 Aug 81 p D-13] 8587

CSO: 3010/1698

## BRIEFS

CHILE-PERU COPPER AGREEMENT--One factor which may be involved in the recent increase in the price of copper is the chance for an agreement between Chile and Peru to protect the price of ore, and the proposition by the National Mining Association [SONAMI] that all producer nations decree simultaneous mass vacations throughout their mining fields. This was announced by SONAMI representative Alfredo Araya, who stressed that the international price of copper rose from 76.29 cents per pound (the average price for July) to 80.67 cents yesterday. Although the informant felt it was rash to give exact reasons for the price increase, the phenomenon can be attributed to the international market's sensitivity to any measure which might change it. He observed that an international increase in the price of copper is always paralleled by increases in the price of gold and silver. But gold and silver prices have stayed the same or have even decreased, he said. He indicated that Chilean and Peruvian government circles are considering the possibility of an agreement to protect the price of copper, and, moreover, SONAMI's proposition to the government, recommending in the headquarters of the Intergovernmental Committee of Copper-Exporting Countries that producer nations decree simultaneous mass vacations at their deposits. According to Araya, the price of copper is artificially low now because consumers are not maintaining stocks of copper at the present interest rates and because they can depend on a very steady supply. "For this reason," he said, "SONAMI believes that the producer nations should regulate their production in such a way that the supply is more in balance with demand and that the market should be managed to favor a rise in prices to reasonable levels." [Text] [Santiago EL MERCURIO in Spanish .8 Aug 81 p C-1] 8587

BOLIVIAN EXPORTS TO PERU--La Paz, 17 Aug 81 (TELAM)--Bolivian manufacturers have denounced difficulties they are experiencing in exporting their products to the Peruvian market. They stated that this has caused a serious deterioration in the economic and commercial balance between Peru and Bolivia. The manufacturers demanded the compliance with the commercial exchange agreements and covenants that fall within the scope of complementation and integration of the Latin American Integration Association and the Andean group. [Text] [PY270330 Buenos Aires TELAM in Spanish 1100 GMT 17 Aug 81]

CSO: 3010/1785

## GOVERNMENT TO SEND 'PEACEFUL AID' TO EL SALVADOR

PY012356 Buenos Aires HERALD in English 1 Sep 81 pp 1, 11

[Excerpts] Washington (NA)--Argentine Foreign Minister Oscar Camilion said yesterday that his country is ready to provide Central American countries with all the peaceful aid it can, particularly in the case of El Salvador, where he said, "An important battle for the future of the hemisphere is being fought."

Camilion said after a nearly 1-hour-long meeting with U.S. Secretary of State Alexander Haig that cooperation could involve food, technology "and even some multinational aid, but nothing more than that."

Although it was not mentioned today, Camilion hinted as he arrived here on Saturday at Argentina's opposition to the recognition by Mexico and France of Salvadoran guerrilla troops as "legitimate" participants in a dialogue to restore peace in that country.

Diplomatic sources said yesterday the meeting between Camilion and Haig focussed mainly on the Salvadoran subject, adding that the situation of Bolivia, whose government has not been recognized yet by the United States because of alleged links between some officials and drug traffickers, had also been discussed.

On his way to the White House, where U.S. Vice President George Bush was awaiting him for an impromptu meeting, Camilion stated that Haig and he had "agreed on every topic, especially on the need to strengthen the links between both countries."

Camilion disclosed later in the evening that Bush had accepted an invitation extended in the name of President Roberto Viola for Bush to visit Argentina shortly.

Diplomatic sources said later one of the main topics discussed by Camilion and Haig had been the setting up of stronger economic links between both countries, mainly by means of a steadier flow of U.S. investments towards Argentina.

Talking to the press after meeting with Haig, Camilion said he had stressed that the aim of the current military government is "to build a democracy in Argentina and to contribute to the defence of democracy throughout the hemisphere."

Camilion also said they had not discussed the eventual sending of Argentine troops to the Sinai peace-keeping force, although, he said, the Humphrey-Kennedy Amendment banning arms sales to Argentina had been discussed.

## FOREIGN MINISTER SATISFIED WITH WASHINGTON TALKS

PY030011 Buenos Aires TELAM in Spanish 1558 GMT 1 Sep 81

[Text] Washington, 1 Sep (TELAM)--Argentine Foreign Minister Oscar Camilion last night stated that the main course of his talks with Reagan administration officials has developed along purely bilateral lines, dealing mainly with how the U.S. views Argentina and vice versa.

"They have made it very clear that the Reagan administration is favorable to Argentina," the foreign minister said last night to journalists who attended a barbecue at the Argentine Embassy.

"The Reagan administration sees Argentina as playing a specific role and the executive branch has a great interest in Argentina," Camilion added. "The development of the Argentine process is considered very significant."

Minister Camilion said that the Reagan administration fully agrees that Argentina has a role to play within the hemisphere and that so far his talks have served to confirm Argentina's role.

The Argentine foreign minister confirmed that he had not discussed the subject of human rights in Argentina at any great length, and made it very clear "that we never believed that the Reagan administration was not interested in human rights, but rather disliked the harmful and aggressive shape which the human rights policy had taken."

Camilion added that "the tone of the talks has been constructive and positive. These talks will be resumed in a few weeks when we hope Vice President (George) Bush pays us a visit, as soon as his agenda allows him to."

Foreign Minister Camilion reiterated to Vice President George Bush the invitation to visit Argentina which was conveyed to the latter by President Roberto Viola during his trip to Washington in March.

The foreign minister reaffirmed that he had found U.S. officials to be most receptive to Argentina's situation and that they do not regard photographs of the past as representations of today.

"They support the efforts toward coexistence within the framework of the law that other countries, which share the U.S. way of seeing the world, may be making," Minister Camilion emphasized.

## FOREIGN MINISTER HOLDS PRESS CONFERENCE

PY022347 Buenos Aires TELAM in Spanish 2055 GMT 2 Sep 81

[Text] Washington, 2 Sep (TELAM)--Argentine Foreign Minister Oscar Camilion today condemned the Mexican-French declaration granting the status of a legitimate counterpart to the Salvadoran guerrilla movement. Camilion termed the declaration a direct intervention in the domestic affairs of El Salvador.

The Salvadoran internal situation and its impact on the security of the hemisphere was one of the issues that was more widely discussed by Camilion during the contacts he made here with Vice President George Bush and officials of the State Department and the Pentagon.

Camilion also discussed the Salvadoran conflict at a press conference he held here today shortly before returning to Argentina.

Commenting on the French-Mexican declaration, Camilion said that the need for the principle of nonintervention to be fully observed must be understood. There can be no more precedents of countries passing judgment on the internal processes of other countries.

Camilion said: One must show respect for the government installed in the capitals of those countries with which one maintains relations because the precedent of recognizing movements formed outside one's own territory would mean clearing the way for chaos.

He said Argentina helped the Salvadoran Government with food and with financial aid by opening a line of credit for the purchase of Argentine industrial goods. He added that Argentina will extend this financial aid as much as possible.

He added that Argentina also has a moderate availability of human resources that can contribute to promoting Salvadoran development taking into account the number of idle technicians existing in his country.

Camilion said he has evidence of some form of foreign interference in El Salvador but declined to say whether his government shares the U.S. belief that Cuba is the main supplier of arms to the guerrillas and Nicaragua, the main channel through which those arms are supplied.

Camilion also discussed the following issues with the journalists:

Bolivia: Like the United States, Argentina wants a prompt stabilization of the Bolivian domestic situation.

Uruguay: Camilion provided the U.S. officials with additional information on the Uruguayan political process and expressed the satisfaction with which the Argentine Government is viewing the continuation of that process which yesterday produced a change of government and which must culminate with the return to a fully democratic system of government.

Chile: Information was given on the current status of the papal mediation aimed at solving the Beagle conflict.

Sinai: The request made to the Argentine Government to have its troops join the peace-keeping force was not discussed. The subject is still pending and it is being studied by the Argentine Government.

Soviet Union: Camilion made it clear that Argentina is interested in preserving and, if possible, in increasing the current level of its trade with the Soviet Union. Although Argentina purchased heavy water from the Soviet Union some time ago, no further purchases of this material is being considered. If in the future we need materials, such as enriched uranium, we will buy them from any market that makes us an offer, Camilion said.

Yacyreta: The eventual participation of the U.S. enterprise Allis Chalmers--an issue in which the U.S. Government is obviously interested--was discussed only from the standpoint that it could be a good starting point--although not the only one--for intensifying U.S. investments in Argentina.

Namibia: There was no time to discuss this issue as thoroughly as the minister would have wanted. Argentina has a great interest in Namibia because it would mark the end of the decolonization process in Africa and because it involves security matters that concern the future of a country which, like Argentina, has a coast on the South Atlantic.

Cuba: No formula for reestablishing the blockade that had been imposed to this country was discussed.

CSO: 3010/1783

## CHANGE OF MINISTERS, ECONOMIC POLICY VIEWED

PY252208 Buenos Aires HERALD in English 25 Aug 81 p 10

[Editorial: "Industry's Minister"]

[Text] The government has not wasted its time in finding a successor to Eduardo Oxenford, who cannot be accused of keeping his intention of leaving the cabinet a secret until the very last minute. Within hours of his long expected decision to quit because of his inability to get what he wanted for industry, he was replaced by someone from the same stable, Livio Guillermo Kuhl. The new minister, moreover, appears to share Oxenford's views on most important matters, being a supporter of special privileges for industry, including high tariff barriers, lower interest rates than the market at present sees fit to supply, and a bail-out engineered by the "refinancing" of the enormous debts that have been piled up.

That a representative of industry should try to imagine a better environment for his sector and recommend ways of bringing it into being is reasonable enough. For a cabinet minister to do so, however, is not the same thing at all. It is the cabinet's job to work out an overall economic policy in which the interests of all specific sectors are firmly subordinated to the general welfare. If Argentina were a country without much farming potential and without a vast public sector it would make sense to stress industry above all else because there would be no alternatives to it. In the present circumstances, however, industry is as much a problem as a hope. Whatever is given to it must, for a certain period at any rate, be taken away from others. Higher tariffs will transfer resources from the consumer--that is the population as a whole--into the pockets of the industrialists; a bail-out will increase the number of people who have to carry industry through this difficult period; a reduction in taxes for industry will merely mean an increase in taxes for others, as there is no indication that the government has any real intention of reducing its expenditures.

Although a subsidy of this nature--because it is a disguised subsidy that Kuhl, like Oxenbord before him, is talking about--would no doubt be welcomed by industry leaders, there is no guarantee that it would be put to any good use. Instead of serving for investment in new plants to increase productivity, and hence the standard of living of the country as a whole, it would, almost certainly,

be used merely to restore the status quo that existed before the present crisis, enabling a manufacturing sector to exist behind high protectionist walls that effectively isolate Argentina from a world economy that may have its unpleasant characteristics but is the only one that exists.

Argentina has always been a country of rich businessmen and poor businesses. Far too many industries manage to keep alive not because of their own merits but because the state grants them what is necessary for their preservation. A policy designed to change this is bound to cause a great deal of difficulty and to be intensely unpopular among individuals who did very well under the old order. Accepting it as the lesser evil, however, is bound to ensure that Argentina will remain in a permanent state of political and economic crisis. The make-up of the economic cabinet, which is composed of spokesmen for the different sectors of the economy, is designed to encourage conservatism in areas where drastic changes are clearly necessary. It may have its advantages from a political point of view: coopting the opposition is a useful defensive tactic. But as the last five dreadful months have surely demonstrated, it is a recipe for paralysis.

CSO: 3020/149

**NEW INDUSTRIES MINISTER SUPPORTS PREDECESSOR**

PY272115 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1410 GMT 25 Aug 81

[Text] Buenos Aires, 25 Aug (NA)--The brand-new industries and mining minister, Livio Kuhl, today called for "the establishment of medium- and long-term objectives" in order to "overcome as best we can and as soon as possible" the current industrial crisis but added that this policy must be in keeping "with government guidelines."

He also said that as long as interest rates continue to increase "even if they do so only nominally, industry will be unable to overcome its current stagnation."

Kuhl made these remarks at Government House shortly after taking oath as minister of industries and mining before President Roberto Viola during a ceremony held in the White Hall and attended by ministers, secretaries general of armed forces branches and other government officials.

During the ceremony Kuhl expressed total support for the policy of his predecessor, Eduardo Oxenford by saying that "I fully and totally support what he has done," and explained that "I will start where he left off guided by general principles and the same business philosophy." It is worth pointing out that the two men, Oxenford and Kuhl, were leaders of the Argentine Industrial Union (UIA).

At the same time Kuhl stated that the essential thing is to work in harmony "with the cabinet" because "each one must lose some of his own identity to somehow merge with the group."

As to the measures soon to be implemented, which were announced on 19 August by Economy and Finance Minister Lorenzo Sigaut for the industrial sector, Kuhl said that "if they can be promulgated soon industry will receive breathing room."

In response to a question he said that "the problem of import custom tariffs has been discussed too much," and that he believes that "this is not one of Argentina's problems" within the framework of the current financial and economic crisis.

When asked about interest rates, Kuhl said that in his opinion "this was indeed a problem" and that even though he was neither an economist nor financial expert "as industries minister I believe that interest rates are a basic problem for industry."

He warned that "if the interest rates remain high, even if they do so only nominally, industry will be unable to overcome its current stagnation."

He also announced that his attitude will be "one of dialogue" with all sectors "without exceptions" and recalled that he and his predecessor have always been advocates of a policy based on agreement and exchange of opinions.

CSO: 3010/1783

## COMMENTS ON U.S.-LIBYA INCIDENT

PY262132 Buenos Aires LA PRENSA in Spanish 24 Aug 81 Section 2 p 1

[Editorial: "An Air Battle Over the Mediterranean Sea"]

[Excerpts] The air battle waged over the Mediterranean Sea by two planes of the Libyan Air Force and two planes of the carrier "Nimitz," of the U.S. Sixth Fleet, has a far greater significance than one might conclude through a quick review.

The incident, which may have further repercussions, has already surfaced the tensions that have been marking the Washington-Tripoli relations, especially since the American Embassy in the Libyan capital was attacked and set afire.

While President Reagan has not added anything new to what everyone knows, his remarks on Colonel al-Qadhdhafi have acquired great significance and impact--which became evident in recent days. During the past 4 years at least Libya has become a warehouse of Soviet weapons by stockpiling arms in quantities which clearly exceed its needs and the capacity of its army, whose size can be figured out taking into account that the desert country has a population of slightly over 2 million people. Such a large supply of war materiel--planes, missiles, cannons, tanks, machine guns, rifles and their respective ammunition--leads to the belief that Libya is actually "the wholesale distributor" of Soviet weapons in the northern part of Africa and in the Middle East, including the Palestine Liberation Organization (PLO) and international guerrilla groups.

In keeping with his submissive subordination to Soviet hegemonic goals in the vast region surrounded by the Mediterranean Sea, the Indian Ocean and the Persian Gulf, al-Qadhdhafi has performed the role of a daring gorilla, availing himself of bravado, threats, boastful and derisive remarks against "imperialism." Recently, in the face of France's surprising silence, he meddled in Chad's domestic affairs and was able to cause the ouster of the pro-West government by sending troops to that country.

By the middle of last week, a few hours after the air battle over the Mediterranean, al-Qadhdhafi signed a military alliance with Ethiopia and South Yemen, two states which openly adhere to the "cause" of the Soviet Union.

From the picture outlined above one cannot conclude that al-Qadhdhafi has succeeded in his efforts to become the leader of the Arab world. He has been trying to attain this role since the death of Nasser, despite the fact that the latter never came close to even envisaging this goal. Al-Qadhdhafi is obviously trying to obtain a victory which would put him at the crest of the wave in the eyes of the Arab world. Two other men are also seeking the same objective: the Syrian and Iraqi presidents. The former has failed in his effort to defeat Israel to become "the undisputed leader." Similarly, the Iraqi president has failed by being unable to control the war with Iran, the stalemating of which reflects his limitations and shortcomings.

In the present circumstances al-Qadhdhafi may have believed that his "time" has come because shooting down a U.S. plane--even just one--could have allowed him to appear with the clout of a Muslim Caesar before the Arab world he wants to lead. Instead, al-Qadhdhafi and his Muscovite master have received a clear warning. A few days ago the latter himself received a warning with the announcement of President Reagan's decision to make the neutron bomb.

CSO: 3010/1783

**IGLESIAS ROUCO COMMENTARY ON TRIP TO UNITED STATES**

PY301913 Buenos Aires LA PRENSA in Spanish 23 Aug 81 p 1

[Commentary by J. Iglesias Rouco: "New Explorations in Washington"]

[Text] Among other things, the forthcoming trip that Mr Camilion will make to the United States will help the State Department get a broader picture of the issues General Galtieri recently discussed with the two U.S. State Department officials and with Reagan advisors and also obtain answers on some issues that the Foreign Ministry has yet to answer to the Argentine people. It is hoped, however, that when he returns, Camilion will leave ajar the cabinet files where he sometimes keeps the very juicy reports he usually writes.

According to our sources, the United States—like Argentines in general—is centering its attention on the following points:

1. Why is Mr Camilion so decidedly against the sending of troops to the Sinai and why in his meetings with political party leaders is he encouraging a campaign against this project? In this regard, Washington would like to know whether it is true that our Foreign Ministry has unofficially informed the governments of Uruguay, Brazil and Colombia among other Latin American countries that in the end Argentina will abstain from sending troops to the Middle East; and whether it is true that this information was issued 1 month before the Uruguayan Government issued a positive decision in this regard.
2. What is the state of the Beagle negotiations in the Vatican. They will also discuss a plan to hold direct negotiations between Buenos Aires and Santiago to achieve a "cooperation and peace" draft agreement that Washington supports.
3. What are the real disagreements—we repeat, real disagreements—between Argentina and Paraguay over Yacyreta and what are the reasons for the strange delay in awarding the construction work and the supply of turbines and generators; why was an agreement that was practically settled with the U.S. Company Allis Chalmers suddenly blocked (it is likely, however, that the Yacyreta issue will be cleared up before Camilion's trip).
4. Why was the Argentine Government so receptive to the negotiations carried out last week in Buenos Aires by the Saudi foreign minister for Argentina to recognize

the PLO and to grant diplomatic status to the Arab League, which is controlled by the enemies of the Camp David agreements; what were the conditions imposed by Riyadh to invest \$2 billion in Argentina--an investment which among other things will help to decontaminate the Salado River region.

5. What are the precise commitments that Argentina made to the Soviet Union regarding the trade and development of nuclear energy; and is it true that Moscow offered Argentina elements and aid to manufacture an atomic bomb. What is the scope of the basic understanding through which the Soviet Union will be in charge of the middle Parana project or at least a significant part of this undertaking.

6. In what context of its present foreign policy will the Argentine Government place an eventual official visit by Mr Haig to Argentina before the end of 1981.

7. What is the political projection of the recent Argentine-Brazilian nuclear agreements and the existence of an alleged agreement between the two nations to oppose at the OAS any intervention of the United States in Central America.

It is possible that during his stay in Washington, Mr Camilion will also discuss the possible candidacy of Alejandro Orfila for UN Secretary General, but this is still far-fetched. The chief of Orfila's cabinet, Alberto Salem, was in Buenos Aires for a few days to revitalize his boss' candidacy and to obtain more support from the Foreign Ministry.

From what we know the Beagle issue is among the few issues about which Mr Camilion will give "specific" answers in Washington. In this regard, the Argentine Government will avoid an increase of tensions with Chile at all costs and even more so any kind of armed conflict since--as we have already noted--according to the United States this would strengthen the position of the Soviets in the South Atlantic.

According to our sources, Camilion will also inform Washington about the Argentine Government's alleged intention to bring to an end the Beagle negotiations by complying with the "proposal" the Pope submitted on 12 December. This "proposal" will reportedly be "modified" in favor of Argentina only in those chapters referring to its presence on Evout and Barnevelt islands and to the exclusive 6-mile territorial sea limit for all Beagle islands that originally--on 12 December--the Vatican granted Chile. The signing of the treaty, however, will be reportedly postponed for several months until the proper domestic "political conditions" exist in Argentina. The church and the majority of the political parties, moreover, will shortly start promoting a campaign in support of the basic guidelines of the "proposal." But unfortunately Mr Camilion will be unable to give Washington further details about a definitive Argentine decision on the sea of "peace" to which both Argentina and Chila "will have access in a joint or individual manner." In addition to the issue of Argentine settlements on the islands--an issue which the Vatican is willing to expand on--the sea of "peace" is one of the issues confronted with much apprehension by the Argentine Government. What is more, Cardinal Samore has already warned that the basic aspects of the "proposal" will not be modified.

Bolivia will be another one of the issues to be discussed by Mr Camilion in Washington. According to our sources the U.S. State Department "appreciated" the attitude shown by the Argentine Government in the recent Bolivian crisis during which--for the first time--it did not openly support the ousted Garcia Meza. The U.S. State Department believes, moreover, that the Argentine Government will refrain from exerting any opposition to those great changes that the United States wants to see taking place in Bolivia at the government level and in its domestic politics. From what we know after the recent military coup there has been a considerable easing of tensions between the Argentine and Washington governments in this regard despite the talk held between Generals Galtieri and Garcia Meza.

The refinancing of Argentine's foreign debt will be undoubtedly another one of the issues that the foreign minister will discuss in Washington with U.S. officials, since the U.S. Federal Reserve has a lot to say in this regard. Since the domestic and international policies--if they can be referred to as such--of the military regime will surely be one of the issues discussed in this meeting, there is no doubt that Camilion and Haig will also discuss the "democratization" plans of the Viola administration and the probable electoral "openings" that many personalities of the "process" foresee--but without openly saying so--for 1984. We have been assured that the Washington government still believes that the most valid formula for an institutional "opening" will be the holding of a presidential election with a military candidate to be chosen "jointly" by the political parties and the armed forces. But it will reportedly view with apprehension an "abrupt" interruption of the present process, although it disapproves the Third-World and populist connotations of the present government, the ambiguity of its economic policy and its relations with the Soviet Union. In general, the U.S. insistence in favor of "democratization" has a great influence on the top-ranking members of the "process." It should come as no surprise then that General Galtieri stated--precisely at the end of his visit to the United States--that it is hoped that "moths" will not get fat in our ballot boxes. This statement is even more significant if we consider that it was issued by the same person who believed that the ballot boxes were "well stored away."

Mr Camilion will undoubtedly have many issues to discuss in Washington. It will be interesting to watch the reactions that this trip will have in a diplomatic and political circle that is still disappointed with the negotiations--or better yet with the results of the negotiations--on Cuba and the Punta Del Este conference that Camilion himself carried out 20 years ago during the Frondizi administration.

CSO: 3010/1783

## DIRECTOR DISCUSSES YACYRETA PROGRESS

PY220022 Buenos Aires HERALD in English 21 Aug 81 p 11

[Text] Posadas (NA)--The executive director of the Yacyreta Dam Authority (EBY) said he has "well-founded hopes" that the civil works contract will be awarded before the end of the year, but declined to estimate when the award will take place.

In an interview published yesterday by the local daily EL TERRITORIO General (ret) Lino Montiel Forzano said that if the bi-national authority is unable to reach agreement on the award, the matter will be decided by President Roberto Viola and Paraguayan President Alfred Stroessner.

He denied that replacement of some of the Argentine representatives on the EBY board of directors would bring further delays in building the dam, as "the delay was under the previous directors."

When asked about the increase in costs that the delay would bring, he said that "every project under construction that gets delayed shows differences between budgeted and final costs. That will certainly happen at Yacyreta, which is at least one year behind schedule."

[The Buenos Aires HERALD in English on 20 August carries on page 11 a NOTICIAS ARGENTINAS report saying that: "Argentina and Paraguay have asked the United States Export and Import Bank (EXIMBANK) for an extension of its time limit to supply funds for the financing of the bi-national Yacyreta hydroelectric complex. The bank offered to supply the two countries with a loan of \$700 million to finance the construction of the civil works and the installation of the turbo-generators. The time limit lapses on September 15. Unofficial sources report that the whole project is at least 6 years behind the original schedule."]

[The report then goes on to note: "The Paraguayan undersecretary for foreign affairs, Rodney Acevedo, admitted yesterday that his government is concerned at the prolonged delay in starting work on the complex."]

CSO: 3020/149

## 'EL ECONOMISTA' VIEWS NEUTRON BOMB WITH CONCERN

PY262225 Buenos Aires EL ECONOMISTA in Spanish 14-20 Aug 81 p 4

[Editorial: "The Neutron Bomb"]

[Excerpts] All signs indicate that despite most forecasts President Ronald Reagan is reasonably successful in holding on to a certain degree of support from the people of his country.

However, politics is a balancing act as well. Following--paradoxically enough--the Republican traditional introspective approach, Reagan is more worried about the domestic political impact of his decision to produce the neutron bomb than about its political effects abroad. Because of this Europe could turn away from the United States, thinking that the latter is trying to turn it into a battlefield. Thus, the reaction to the neutron bomb could be Europe's progress toward social democracy, somewhat along the lines France has followed in this direction.

The neutron bomb has been devised for use in Europe by non-Europeans. The reaction of European people to this situation is easy to foresee. The U.S. claims that it will have greater dissuasive power, but this claim is certainly arguable because as soon as Reagan announced that the project will be implemented, the Soviets hastened to say that they will not be left behind.

In any case, the order to produce the neutron bomb, followed by similar Soviet actions will have serious political effects in Europe and will further complicate the discussion about the installation of medium-range missiles. Thus the difficulties which the United States has been having in its quest for allies could worsen and the anti-American feelings which unfortunately have not ceased to grow recently, could gain strength.

CSO: 3010/1783

## COLUMNIST DISCUSSES VIOLA'S PRESSURES

PY240024 Buenos Aires HERALD in English 23 Aug 81 pp 3, 7

[From the "Politics and Labor" feature by James Neilson: "Viola's Days Are Still Numbered"]

[Excerpts] One question that has been bothering a lot of people for some time now is: How long will President Roberto Viola last in the Casa Rosada? And the usual answer is: Not much longer unless he manages to get a grip on things and imbue the country with a sense of purpose within a few weeks. Although he succeeded in getting through the first dreadful period when the peso collapsed like a punctured balloon and rumors of his imminent downfall chased one another through the streets of Buenos Aires, he still has some way to go before he reaches safety and can look forward to a reasonably secure term of office. So the NEWSWEEK report that General Leopoldo Galtieri, the commander-in-chief of the army and therefore the most powerful man in the country, had told him back in July that he had 60 days in which to "solve the crisis" or be sacked, sounded plausible enough. Galtieri, however, rallied to the presidential banner and denied he had said any such thing. During a stop-over in Panama after his tour of military installations in the United States he insisted that he had never set Viola any deadlines.

As Viola's political base consists of the armed forces and nothing else at all, Galtieri's views are a matter of considerable importance. For some time he has managed to convey the impression that he is a spit-and-polish authoritarian with no time for civilian-style shilly shallying. After seeing how the United States works, however, he seems to have mellowed somewhat.

Galtieri's more conciliatory mood no doubt comes as a comfort to Viola and the many people who think that, bumblingly ineffective though his government may be, a new military regime headed by Galtieri or anyone else would probably be a good sight worse. But whatever the views of the army commander-in-chief, there can be no question that the time at Viola's disposal is limited. The crisis pervading the nation has been disturbing many officers who feel, understandably, that their honor is directly involved. After all, the armed forces have been ruling the roost for over 5 years and must accept responsibility for the state of the nation today. Friendly efforts to shift the blame from their shoulders and onto their hired civilian technocrats offer little consolation because they are based on the

assumption that senior officers are nincompoops who are easy prey for any glib hawker of economic policies who happens to catch their ear. The crisis, moreover, is not merely economic. It is affecting the nation's political structures, its place in the world, its education system, its culture and, most damaging of all, its morales. In the last few months many people seem to have lost faith in Argentina's future. Instead of this inspiring a thoroughgoing reappraisal of the state of the nation and a determination to do whatever is necessary to put things right, the effect has been to spread defeatism and despair. Talented and energetic people, especially professionals, are deciding that their prospects here are dim and are leaving. These are, of course, precisely the kind of people that Argentina cannot afford to lose, and the more like them who go the bleaker the country's prospects become.

The manifest failure of the people who took power in March 1976 to give the country the capable government they promised, and their inability to achieve any of their principal objectives apart from the elimination--at a frightful cost they are only now beginning to pay--of leftwing terrorism, must have caused many officers not totally identified with the "process" to think a great deal about the role of the armed forces. Some, of course, will have reached the conclusion that the military should have been far more drastic than it actually was. Others, politically more sophisticated, may have appreciated that whatever else an authoritarian regime may do it is unlikely to raise a generation of dedicated, responsible, and experienced democrats. The need for the officer corps to subject its corporate performance to a rigorous reassessment is obvious. The conclusions it is coming to could in large measure determine the country's political shape in the next few years.

Viola's political future will depend in large measure on the way he handles the economic crisis that is affecting so many people's lives. If the government manages to haul the economy out of the trough and get things going again its chances of surviving until 1984 will be much better than they now appear. So far, however, there have not been many signs of it agreeing on a coherent and realistic program promising enough to revive confidence.

Lorenzo Sigaut was supposed to present such a program on Thursday night and in the weeks that preceded his frequently delayed speech to the nation expectations ran high. But, although his words presumably represented the distilled essence of the dozens of high-level meetings he had with his advisors and his fellow economic ministers and, on occasion, with President Viola himself, plus a great many meticulous studies and position papers, they proved sadly disappointing.

Last week a group of the "friends of General Juan Carlos Onganía" issued a statement excoriating the "process" regime and demanding that interest rates be reduced by decree, jobs be created, currency controls be established, and imports be banned for between "30 to 60 days." Onganía's friends also charged that the regime was rotten with corruption and this was one of the main reasons why it was so reluctant to see anything change--a point of view that has become quite common these days. The populists, of course, have been saying much the same sort of thing and making similar recommendations for years, but they did not rush to clasp the "Onganía group"

to their bosom. On the contrary, they accused it of trying to prepare the ground for a new military coup. The previous week General Albano Harguindeguy was charged by the same people with the same crime, so the populists are evidently getting the jitters. And well they might. Although they are currently elating in the race to pick up whatever is left over after the "process" clanks to a halt there are many people who are appalled by the prospect of seeing the country ruled by them, even if a large majority of the electorate greatly desires this, and they are prepared to do virtually anything to prevent it.

The danger of a new military coup which would not merely sweep aside the officers associated with the "process" but would also block the road leading to elections has helped soften the opposition of the civilian political establishment towards General Viola's government. In the last few months the populists' rhetoric has become decreasingly strident, as though they sensed that whether they like it or not they and Viola happen to be in the same boat, and if it sinks the chances are that they will go down with it. Ricardo Balbin, the leader of the radicals and until recently much given to making scathing remarks about the military regime, is on his best behavior and so are the Peronists.

CSO: 3020/149

## BRIEFS

UNEMPLOYMENT RATE--(NA)--Unemployment has reached "an estimated 5.5 percent" of the working population, with 600,000 unemployed, three times more than 10 months ago, according to an article in EL CRONISTA COMERCIAL. The information was obtained through "surveys among business circles" who said unemployment was 2.3 percent last October, reached four percent in April and is now 5.5 percent. Of the 605,000 to 610,000 unemployed, EL CRONISTA COMERCIAL says 240,000 live in the greater Buenos Aires. Provincial economy minister Pablo Berenguer had recently said there were only 200,000 unemployed in that same area. [Text] [PY25228 [as printed] Buenos Aires HERALD in English 25 Aug 81 p 11]

VIOLA RESIGNATION REQUESTED--(NA)--Cordoba--The resignation of President Roberto Viola has been demanded here by former Justicialist deputy Carlos Palacios Deheza. The Peronist has demanded that Viola be replaced by "another high-ranking officer" of the armed forces to lead the country to "national unity." The politician said in the local daily EL TIFMPO yesterday that he has the "authority" to demand Viola's resignation, because he was one of the few to demand the resignation of former President Maria Estela Martinez De Peron in 1975. [Text] [PY252231 Buenos Aires HERALD in English 25 Aug 81 p 11]

SINAI FORCE OPPOSED--(NA)--Political leaders from different parties yesterday released a statement opposing the sending of Argentine troops to the Sinai peace-keeping force. The statement to voice their opposition to a measure that would imply "a break of the laissez-faire and self-determination policies traditionally maintained by our country" was signed by Peronists, radicals and representatives from the popular conservative, intransigent, unified and popular socialist parties among other smaller political groups. [Text] [PY220020 Buenos Aires HERALD in English 21 Aug 81 p 11]

PAKISTANI TRADE DELEGATION--(NA)--A Pakistani trade mission arrived to Argentina yesterday for a week long unofficial visit to discuss prospects for increasing bilateral trade between the two countries. The delegation, headed by the president of the Lahore Industry and Trade Council, Prince Mian Shahzada Monnoo, was met at Ezeiza airport by Pakistan ambassador to Argentina Ahmed Pasha. Pakistan is hoping to work out an agreement to purchase soybean oil among other commodities. The current bilateral trade balance between the two countries is lower than in 1980, when Argentina imported \$3 million worth of Pakistani goods, while Pakistan imported \$10 million worth of Argentine goods. Other goods

which the Pakistani are interested in include textile products, machines and sporting goods. Next week the mission will visit other South American countries. [Text] [PY220030 Buenos Aires HERALD in English 19 Aug 81 p 11 PY]

NIGERIAN PARLIAMENTARIANS--(NA)--The Nigerian delegation of parliamentarians that visited this country to study local anti-smuggling legislation left for Madrid yesterday after holding meetings with customs authorities and foreign relations officials. [Text] [PY220030 Buenos Aires HERALD in English 20 Aug 81 p 11 PY]

SUPREME COURT PRESIDENT--Supreme Court President Adolfo Gabrielli has been reelected for another term. He will be sworn in tomorrow. [PY14251230 [as printed] Buenos Aires Domestic Service in Spanish 2000 GMT 24 Aug 81 PY]

DIVERGENT INTERESTS HAMPER PROCESS--The air force commander in chief has traveled to Santa Cruz with the purpose of dedicating a new airport. On the occasion, air regions commander air force Maj Gen (Francisco Salinas) said that there are divergent interests that are trying to destabilize the process that was started in 1976, because their intentions to not agree with our intentions and also because they are not used to living in peace, tranquility, order, justice and full freedom. [Excerpts] [PY282223 Buenos Aires Domestic Service in Spanish 2000 GMT 28 Aug 81]

NEUTRON BOMB DECISION--President Ronald Reagan's decision to manufacture the neutron bomb, after President Jimmy Carter turned it down in 1979, seems to be the proper reaction to the USSR's overwhelming conventional superiority in Europe in comparison to NATO. According to recent studies Moscow's advantage over Washington as far as "Eurostrategic" weapons go, has reached 4 to 1. NATO sources recently stated that this advantage has reached "an alarming degree." Strictly speaking, no one can be surprised by this decision of President Ronald Reagan even if the announcement has been sudden. It simply means the implementation of the new U.S. nuclear strategy in Europe outlined by President Carter in August 1980 through the (secret) "59th directive." Should it be implemented immediately, as the order to manufacture neutron bombs makes us believe, this strategy will lessen the dangerous current imbalance between NATO and Warsaw Pact forces. Thus Washington is moving toward the strengthening of its defensive capabilities. This predisposition to stop Soviet expansion contrasts with Carter's policy of barely 2 years ago when he suspended the production of neutron bombs, rejected plans to manufacture the B-1 bomber and suspended the setting up of a chain of Minutemen III missiles and refused to sell arms to the PRC. Everything seems to indicate that the U.S. decision has been timely. Recent analyses show that Soviet military superiority would reach its point of utmost danger between 1982 and 1985, unless it is countered. [Excerpts] [PY270038 Buenos Aires LA PRENSA in Spanish 15 Aug 81 Section II p 1]

CSO: 3010/1783

## DIALOGUE BETWEEN GOVERNMENT, OPPOSITION DISCUSSED

PY270121 La Paz PRESENCIA in Spanish 13 Aug 81 p 3

[Editorial: "Toward Dialogue"]

[Text] A government infrastructure, that is worthy of analysis, has been set forth by means of interesting ideas which were included in a speech, given in the name of the junta, that was delivered when the new cabinet members were sworn in. If put into practice, such a scheme could provide useful outlets for the serious political and socioeconomic crisis that Bolivia is going through.

One of the main points refers to the purpose of normalizing institutional life in as short a time as possible, so that there can be a constitutionally appointed government. This purpose is adhered to by the overwhelming majority of citizens, including the armed forces members, who are aware of the wear and tear suffered by the person who governs and who have had their own internal problems.

It is promising that there has been a lot of talk lately on the implementation of a process for dialogue through which the people's aspirations can be achieved: a fully normal life, under the rule of the law and order. Dialogue is certainly the great expedient that leads to understanding, not through making everybody recoil from his ideas but through merely allowing for the peaceful coexistence of opinions. It is the great expedient for convincing, not for conquering. It is the great civilized resource with which to achieve peaceful coexistence, free from impositions, threats and abuse. These are truths that, unfortunately, we Bolivians have frequently neglected, with the results that we have had to bear throughout our history.

The dialogue will not be easy, given the existing wrong traditions. But those who hold or who wish to hold leading posts in the government should be asked to open new courses, and to be patient and tolerant in order to achieve an understanding among all Bolivians, at least on basic matters. Whoever says that he is a supporter of democracy and who does not make his very best effort for the dialogue to be held and to succeed, will be a man who, although he may not admit it, is not a supporter of democracy. Under the present circumstances, with such a heavy load of hate and internal division, he who does not do everything he can to overcome this situation and change it can call himself a

patriot, but he will not actually deserve that designation. We should eagerly strive for achieving understanding, for otherwise we would destroy ourselves. The people want peace, order and freedom. What we should strive to eliminate, because of an ever elementary instinct of self-preservation, is that domestic infighting which has brought about even bloodshed and which has so much impaired our prestige and our progress.

The dialogue will certainly be difficult: old habits are hard to break and there will always be those who think that the best course is that of imposition. But those difficulties will have to be contended with and be overcome, in the name of God and in the name of Bolivia.

The greatest problem will not be, of course, the one that will be posed by persons or groups who have affinities among themselves or who do not hold opposed positions. The most serious problem will arise from something that, however, should be done: the dialogue to be held by those who are radically divided; for example the government and the opposition, which may be abroad. Since this has seldom happened in Bolivia, such a situation could even cause alarm. However, it should be given a try and it should be successful if we want to return to a long-lasting democratic, peaceful and tolerant life, doing away with fears that eight generations of Bolivians have had to experience.

Those who enter into a frank dialogue, those who sponsor and support it, will certainly have served the nation.

CSO: 3010/1785

## FINANCE MINISTER COMMENTS ON IMPROVING BALANCE OF PAYMENT DEFICIT

PY272026 La Paz Radio Illimani Network in Spanish 1130 GMT 27 Aug 81

[Excerpt] Yesterday afternoon Finance Minister Javier Alcoreza Melgarejo and Planning and Coordination Minister Adolfo Linares Arraya held a press conference to explain subjects related to the Bolivian economy.

Finance Minister Alcoreza Melgarejo started the conference by stating:

[Begin Alcoreza recording] The Finance Ministry intends to adopt measures aimed at decreasing the balance of payment's deficit which has increased gradually during the past few years.

Structural problems in the government-owned enterprises--which affect the [words indistinct] directly--the deficit of the central government and the increase in contraband are some of the causes of this deficit.

It is believed that these problems should be overcome through implementing an emergency plan with regard to economic policy which will include coherent adjustments at the import-export level, the control and refinancing of the foreign debt as well as achieving an effective reduction in the fiscal deficit. [end recording]

He then referred to issues relating to public administration and announced a reorganization of the customs general directorate.

[Begin Alcoreza recording] The reorganization of the customs general directorate will help reduce contraband and increase customs income. At the same time carrying out immediate adjustments in the state-owned enterprises which deal with the main items that are exported will allow in the short term the improvement of current accounts, and this, together with international financial support, will allow a reduction in the balance of payment deficit and the maintenance of the exchange rate. [end recording]

He ended by stating that other measures which will contribute to promoting a medium-term improvement of the balance of payment will be adopted, encouraging exports in all sectors. Let us hear what he has to say.

[Begin Alcoreza recording] In addition, measures which will contribute to promoting a medium-term improvement in the balance of payments will be adopted. This will encourage and reactivate exports in all sectors, especially those of the agriculture sector, and will help in the reorganization of the list of priority imported goods necessary for the national economy.

It is our intention to carry out a coherent economic policy in order to reestablish the external economic balance by improving the balance of payments, recovering the level of international monetary reserves and achieving an internal balance through the (?control) of money supplies, avoiding inflation and allowing the country's economic reactivation in order to protect the sectors of lower income especially. [end recording]

CSO: 3010/1785

**INTERIOR MINISTRY WARNS TERRORISTS**

PY272124 La Paz Radio Illimani Network in Spanish 1700 GMT 27 Aug 81

[Text] The Interior Ministry has warned that the state security organization will be merciless toward perpetrators of terrorist attacks and those guilty of such attacks will be punished to the full extent of the law.

The Interior Ministry warned that it has instructed state security organizations to double their efforts throughout the nation. The communique released today stated:

The Interior, Immigration and Justice Ministry has instructed the national security organizations such as the national guard, the investigative police and others to double surveillance throughout the nation in order to prevent terrorist attacks which are harmful to persons and society in general.

This measure has been ordered by Interior Minister Rolando Canido in view of the attacks which took place near the Ballivian School and the Bolivian Catholic College in the El Alto District of La Paz.

According to investigations conducted so far the explosions of sticks of dynamite damaged both institutions. Investigations have been stepped up in order to find the persons responsible for these attacks. Initial reports indicate that they are extremists who are trying to disrupt the tranquillity of the people. Surveillance measures are aimed at protecting the people and providing them with the tranquillity necessary to carry out their daily tasks.

The Interior Ministry communique stated that state security organization will be merciless toward these criminals who will be punished to the full extent of the law.

CSO: 3010/1785

COUNTRY SECTION

BOLIVIA

COCA AGUIRRE CALLS FOR RESIGNATION OF JUNTA

Resignation of Junta

PY261326 Paris AFP in Spanish 0130 GMT 25 Aug 81

[Text] La Paz, 24 Aug (AFP)--Col Ariel Coca Aguirre, former minister of education and culture under Garcia Meza's administration, today said that the persons responsible for and guilty of drug trafficking are the very members of the government "who protect, stimulate and conceal it in exchange for millions of U.S. dollars."

Coca Aguirre, whose expose caused an uproar in local political circles, had been charged with complicity in cocaine trafficking during the U.S. TV program "Sixty Minutes" directed by journalist Mike Wallace.

Col Coca Aguirre today issued a public statement of defense during which he said that "these charges have not been made by the ultraleft, as had been originally thought, but by certain generals on God knows whose nefarious advice."

The document released by the former minister charges Gen Waldo Bernal Pereira, senior member of the ruling junta of commanders, and former President Alberto Natusch Busch, with having conspired to overthrow President Garcia Meza on 4 August.

The document explains that Coca was appointed minister of education against his will on 17 July 1980, after the overthrow of Mrs Lidia Gueiler Tejada. At that point he was told that the new regime would implement concrete plans of action.

However, as time went by and no government plans for concrete action appeared, Coca reached the conclusion that no such plans had ever existed.

He added that several attempts were made to remove him from the government, especially through intrigues staged by General Bernal, who accused him of trying to overthrow Garcia Meza.

Coca Aguirre states that after he was discharged from his ministry because of Wallace's accusations, he did not accept either diplomatic posts or new assignments in the armed forces until the charges against him were totally disproved.

He adds that he does not acknowledge Bernal Pereira's authority to give him new assignments and reports that the former has appointed him own relatives to posts in customs and in consulates [as received] such as in Brasilia, Miami and Washington. He also laments that all his claims addressed to the armed forces general staff, the supreme military court and the president of the nation proving his innocence of drug trafficking charges, have never received so much as an acknowledgement.

Coca believes that General Bernal has betrayed the junta presided over by Garcia Meza, of which he was a member, in order to fulfill personal ambitions.

He further warns that "the junta of commanders in chief cannot and must not remain in government because of the corruption of two of its members (Bernal and the navy commander in chief Oscar Pammo) who are accused of exploiting the Anahi (amethyst) mine, drug trafficking, humiliating nepotism and the Pakistani ride deal which threatened the lives of thousands of Bolivians.

The latter charge is related to imports of weevil-infested rice made by Pammo Rodriguez when he was minister of industries and commerce under President David Padilla (1978-1979).

Coca warns the third member of the junta of commanders, Gen Celso Torrelio Villa, "against playing into the hands of corruption and government anarchy."

Coca Aguirre points out that "no one is unaware that the economic and social status quo is desperate, that the people are hungry, that we are on the brink of total bankruptcy and that this carnival within the armed forces must end."

The former minister then emphasizes that "the partners are still working together to destroy Bolivia and that various special security forces are still operating regardless of the interior minister's statements to the contrary, and the para-military groups have not been disbanded."

He concludes by saying that the junta of commanders must resign and turn over the government to whomever the armed forces may appoint on the basis of general consensus.

#### Aguirre Statement Rejected

PY261435 La Paz Radio Illimani Network in Spanish 1130 GMT 26 Aug 81

[Text] The Bolivian Air Force--FAB--informs the public opinion the following:

In view of the insulting paid advertisement which was published on Sunday 23 August in a Santa Cruz newspaper signed by Col Ariel Coca Aguirre who, enjoying an indefinite leave of absence, is subject to the military laws and regulations in accordance with Article No 12 of the Law of Military Courts, and taking into account that this type of attitude harms the honor and dignity of the higher-ranking authorities, out of respect for its superiors rejects the attitude of the aforementioned officer and will demand the enforcement of the military laws, because this type of publication goes against the most elementary principles of discipline of the armed institution.

Signed: Public Relations Department.

CSO: 3010/1785

## ANALYSTS REVIEW WEEK'S POLITICAL EVENTS

PY241715 Buenos Aires TELAM in Spanish 2130 GMT 23 Aug 81

[Text] La Paz, 23 Aug (TELAM)--According to sources close to the seat of power, the situation in Bolivia has not changed despite the fact that social tensions have eased with the return to work of the Catavi and Siglo XX miners, who were on an indefinite general strike.

Three events, which apparently have nothing in common but which are related to the atmosphere that is being experienced by the Bolivian people, seized the attention of public opinion and of the analysts of internal and external policies.

On one hand the Bolivian foreign minister, Mario Rolan Anaya, was categorical when he asserted that Bolivia does not need any type of mediation for its foreign policy, on the other, the refusal of the U.S. Government to recognize the junta of commanders was not less categorical. The United States has maintained this attitude over the past 13 months when it turned its back on Luis Garcia Meza's government, and the more than -year hectic negotiations of the Foreign Ministry to achieve the support of the Reagan administration were of no avail.

Another event that contributed to reducing the maneuverability of the government of the three commanders in chief that replaced Garcia Meza due to the uprising of Natusch Busch in Santa Cruz was the joint declaration of the Federation of Press Employees of Bolivia, the Association of Journalists and the Association of International Media Correspondents, in which they denounced the repressive policy against the media that is being carried out by official organizations and the irregular groups that have acted under an umbrella of an abuse of power. This was specified in the document released by those organizations.

But, maybe the most important event occurred when the commander of the military college, Col Faustino Rico Toro, talked to the press. He stated that he supports the position that someone who has a popular consensus should be selected for the presidency. This indicates that his position is closer to that of the generals who revolted, Natusch and Anez; although military spokesmen indicate that it is the same position, this is not necessarily so.

Rico Toro, who was interior minister under former President Juan Pereda Asbun and chief of the military household during Garcia Meza's regime, has proposed in his statements to the press that bases he prepared for a new democratic process without committing the errors of the past. [sentence as printed]

According to spokesmen who are close to Rico Toro, he presumably represents, leads, a generational movement within the armed forces.

In view of all these events and even acknowledging the government's success in lifting the miners strike that was declared due to the death of the union leader, Cossio—with the promise of an exhaustive investigation into the cause of his death--in circles close to the government it is believed that the junta of commanders has not yet been able to consolidate its political position.

CSO: 3010/1785

COUNTRY SECTION

BOLIVIA

NATION WILL COMPLY WITH IMF, WORLD BANK COMMITMENTS

PY201434 La Paz Radio Illimani Network in Spanish 1130 GMT 20 Aug 81

[Text] The finance minister, Col Javier Alcoreza Melgarrojo, has said that the government junta will take into account the recommendations and suggestions of the IMF and the World Bank.

During the course of his statements, Alcoreza also said that there is the best of intentions to comply with all contracted commitments with international financial organizations.

Following are the highlights of Alcoreza's statements:

[Begin Alcoreza recording] The government junta of the armed forces sincerely desires to maintain unchanged the best of relations and understanding with the IMF, the World Bank and with all other international financing organizations of which Bolivia is a member. [end recording]

Later on the finance minister stressed that the junta is very willing to comply with all commitments that have been contracted with financial organizations of which Bolivia is a member.

[Begin Alcoreza recording] It is very necessary that we announce that we are well disposed and very favorable to responsibly take into account the recommendations and suggestions formulated by the IMF and the World Bank. And we will comply with all the commitments we have contracted with international financial organizations to which the country belongs. [end recording]

CSO: 3010/1785

## 'PRESENCIA' DISCUSSES LACK OF RECOGNITION, AID

PY270041 La Paz PRESENCIA in Spanish 11 Aug 81 p 3

[Editorial: "Recognition and Foreign Aid"]

[Text] No one can deny that Bolivia's situation is very serious and that it could get worse unless swift and effective measures are taken, especially regarding obtaining diplomatic recognition and economic aid and cooperation from foreign governments and international organizations.

As far as diplomatic recognition goes, everything seems to indicate that since the succession of the government has not taken place in keeping with standing legal requirements, there could be countries which feel that it is necessary to go through the usual channels of recognition. This would have been difficult to do last week because the junta was unable to comply with one of the rules: control of the nation's territory. Now the appropriate approaches have been made but we do not know when the favorable answers will be coming in. In any case this temporary vacuum is especially harmful in the present critical conditions.

These conditions acquire a darker tinge as far as aid from foreign countries and international organizations is concerned. We need this aid urgently and this fact has more weight than certain empty attitudes or statements which are inconsistent and have no hold on reality.

Mere diplomatic recognition and the ensuing exchange of ambassadors--although this initial step could hasten negotiations of other aspects--is not and could not be enough for us. We must go beyond the regular statements such as, for example, that the relations with the United States are about to be normalized without this ever happening. Maybe now this possibility is farther from our grasp than ever.

The situation of our economy and balance of payments is very serious. Our status as a country which has been unable to pay off its debts within the stipulated deadline has lowered our credit rating, but the loans themselves are of little interest to us because they are given under the usual banking conditions; high interest rates and short terms. Resorting to these loans means jeopardizing our future in such a way that we could soon declare ourselves bankrupt. This course of action cannot be followed in other than very exceptional cases when large amounts of money are not involved.

Thus, we must resort to development loans, the only kind that can provide us with a breathing space until the time for repayment comes; the only ones that will let us work without feeling the anxiety of impending payments. These loans can only come from developed countries among which Japan is the only one which has not severed its aid. The others, whether having relations with Bolivia or not, have turned their back because of events which we all know about.

Still another source of development loans is the proper international organizations. However, since developed nations wield considerable weight in them, here too we have met restrictions as everybody knows.

It is worth pointing out that even if diplomatic recognition abides by certain relatively permanent rules, aid is the result of free choice on the part of the giver, at least this is the way the world operates right now.

At this time aid is being received only for those projects which have been underway for a year and for humanitarian purposes. No new accords have been signed. This means that there has been a 1-year vacuum which may have tremendous effects on the immediate and far-away future.

We believe that both tasks are huge and difficult. The less difficult of them is that of obtaining diplomatic recognition, at least from those nations which have already recognized the preceding government. As far as the economy and aid goes, the problems will be greater and they will not be overcome unless there is honest and in-depth cooperation between authorities and people aimed at alleviating the current crisis and creating the conditions necessary for the country's progress.

CSO: 3010/1785

## COUNTRY REPORTEDLY ON EDGE OF BANKRUPTCY

PY211206 Buenos Aires LATIN in Spanish 2249 GMT 19 Aug 81

[Excerpts] La Paz, 19 Aug (LATIN-REUTER)--A specialized economic publication today stated that the Bolivian Central Bank has had to issue rubber checks abroad due to the country's reaching the edge of bankruptcy.

Today's issue of the newspaper HOY carries an economic analysis of the confidential ABC newsletter which is edited in this capital and which contains one of the most cruel and revealing aspects of the economic crisis which the country is experiencing.

The publication maintains that Bolivia has reached the edge of bankruptcy due to the unstable political situation on one hand and the unrestrained administrative corruption during the past few years on the other.

It revealed that during the first days of this month dollar checks drawn on the Bolivian Central Bank have been returned by the recipient banks abroad due to lack of funds.

It pointed out that on 30 July the Central Bank had exhausted its foreign exchange reserves which apparently forced former President Luis Garcia Meza and his ministers to decree a strict control over foreign exchange.

The ABC newsletter asserted that former President Garcia Meza's government had failed to obtain a \$50 million hard credit, of the swap type, from the Paraguayan Government and that the Argentine Government had postponed the granting of an additional \$39 million credit.

It pointed out that Bolivia contradicted the International Monetary Fund (IMF) principle on the control of foreign exchange since the IMF regulations state that no country may adopt such measures without its approval. The IMF has been holding back a \$200 million standby credit for Bolivia.

The newsletter accuses former President Gen Hugo Banzer Suarez' government of having worsened the critical Bolivian economic situation. It says that with the excuse of development his government indebted the country to the point of default.

It pointed out that this country's foreign debt, which amounts to more than \$3.5 billion is more disorganized than ever and that now we don't even know who and how much we owe.

It stated that many international credits obtained with the endorsement of the State Bank and the Bolivian Central Bank have been transferred to the private sector, thus increasing the foreign debt and in many cases with unrecoverable funds which have been invested in nonprofitable projects.

Referring to factors of private economic sectors, to which it attributes the cause of the crisis, the newsletter states that eminences of the economic groups which were the economic advisers of Banzer, (Juan) Pereda, (David) Padilla and lately (Luis) Garcia Meza's governments, have led the country's economy to ruin. They have forced the Central Bank, the maximum guarantor of a country in normal situations, to issue rubber checks.

According to the confidential newsletter, whose publication today was the main subject of commentaries, the greatest Bolivian discredit in the international sphere took place during the last year due to the uncontrolled boom of drug trafficking and corruption in the public administration.

CSO: 3010/1785

**ASBORA JOINS IN DEMAND FOR FREE EXPRESSION**

PY212333 Buenos Aires LATIN in Spanish 1715 GMT 20 Aug 81

[Report by Gerardo Irusta]

[Text] La Paz, 20 Aug (LATIN-REUTER)--Directors and owners of radio stations today added their support for demands for freedom of expression to those made earlier this week by press editors.

Representatives of the Bolivian Radio Broadcasting Association (ASBORA) and the National Association of Newspaper Owners (ANP) signed a joint statement stating their agreement.

This week the ANP protested the restrictions and abuses the news media have suffered since July 1980 when the current military rule began. The ANP also declared it would fight for freedom of expression.

In the document signed today both organizations ratified the press-radio accord, established in 1971 as a means for concerting action for improving information and defending freedom of expression.

In previous years the press-radio accord adopted pressure tactics, such as temporary stoppages, against what were considered government abuses of the communications media.

The two organizations resolved to demand that the military junta governing Bolivia promptly normalize radio news broadcasting and suspend the restrictive measures imposed since July 1980.

Last 17 July the government headed by former President Gen Luis Garcia Meza ordered radio stations into an information network which is still in effect.

Radio stations are obliged to broadcast news reports prepared and read by the state radio. Some radios in the interior of the republic maintain their own news services, however.

Recently the interior minister, Rolando Canido, said that the radio information network would still be maintained for an indefinite period.

In La Paz practically all private radio stations cut out their news broadcasts and laid off reporters and news broadcasters, an ASBORA source has said.

The source added that the imposition of the radio information network also caused economic losses to radio concerns.

We join the crusade for press freedom, said the Association of Foreign Correspondents accredited in Bolivia in a note addressed to the ANP.

ANP leaders promised they would hold meetings in the next few days to coordinate efforts with other journalistic groups in defense of freedom of expression.

CSO: 3010/1785

## BRIEFS

PADILLA AS PRESIDENT--La Paz, 29 Aug (AFP)--Former Bolivian President Gen David Padilla Arancibia (1978-1979) today stated that he is prepared to take over as chief of state if there is military and civilian concensus in this regard. A similar statement was made 48 hours ago by former president Gen Hugo Banzer Suarez (1971-1978). Talking to the Bolivian Fides News Agency (ANF) Padilla accused the junta of commanders of having fallen back on its commitments to the Santa Cruz rebel movement and urged his comrades in arms to demand an immediate meeting of commanders of small and large units in order to appoint a president of the nation. Padilla expressed concern over the country's economic bankruptcy, the administrative corruption, the schisms within the armed forces and the outrages perpetrated against military hierarchy. He indicated that the current junta of commanders in chief is merely an extension of Gen Luis Garcia Meza's regime and added that the present power structure is no different from the preceding one. He lamented the fact that paramilitary groups are still in operation and said that they cause unnecessary expenditures from the nation's budget and undermine the prestige of the armed forces. In conclusion, Padilla said that in his opinion the junta of commanders in chief must put an immediate stop to cliques and seek the unity of the armed forces instead. [Excerpts] [PY 021906 Paris AFP in Spanish 0544 GMT 29 Aug 81]

LIFTING RESTRICTIONS DEMANDED--La Paz, 23 Aug (LATIN-REUTER)--Three press organizations today demanded amnesty for exiled newsmen and expressed their firm decision to preserve freedom of the press. The Federation of Press Workers, the Association of International Press Correspondents (ACPI) and the La Paz Association of Journalists released a joint document here today in which they regard as unjustified the treatment the press has received since July 1980 when a repressive policy was imposed on the mass media and all journalists. Earlier, the National Press Association [ANP]--which is made up of directors of newspapers from the whole country--proclaimed the need to defend an unrestricted freedom of the press and to have all of the journalists who had been sent into exile by the government which took power on 17 July 1980 return to the country. The document charges that the government policy was marked by "torture, persecution, detention, banishment to unhealthy places and exile," in addition to "intimidation and pressure to prevent the free exercise of the journalistic profession." The three organizations also noted that armed raids had been conducted against the installations of newspapers and radio stations in the country, including attacks on executives and workers of the respective enterprises. In its resolution the document states that

the three organizations have agreed to adopt "the firm decision to preserve...the unrestricted freedom of the press and information." It also demands an immediate general amnesty, the immediate suspension of the radio network, the reopening of all closed radio stations, guarantees for job security and personal security to all newsmen. [Text] [PY272002 Buenos Aires LATIN in Spanish 2308 GMT 23 Aug 81]

GOVERNMENT ENTERPRISE LOSSES--Abel Martinez, general manager of the Bolivian Mining Corporation [COMIBOL], has told the Huanuni miners that of the 14 government-owned production enterprises only COMIBOL makes profits while the other 13 have losses. [Excerpt] [PY252007 La Paz Radio Illimani Network in Spanish 1700 GMT 25 Aug 81]

AGRICULTURE MINISTER TO DPRK--Colonel Julio Molina Suarez, the Bolivian minister of agriculture and campesino affairs, has left for North Korea where he will attend a meeting of developing nonaligned nations. Minister Molina Suarez has left together with under secretary (Jaime Cejas), [PY251226 La Paz Radio Illimani Network in Spanish 1700 GMT 20 Aug 81 PY]

CSO: 3010/1785

**GRIEVANCES LEAD GOLBERY TO RESIGN FROM GOVERNMENT**

Sao Paulo VEJA in Portuguese No 675, 12 Aug 81 pp 20-33

[Unattributed Article: "The Sorcerer Quit"]

[Text] "There is a thing called a spring. The spring broke. When the spring breaks it is useless to want to continue the march, working Saturday and Sunday until late at night. There is no point to it." (Statement by Gen Golbery do Couto e Silva in 1966, when as chief of the SNI [National Intelligence Service] he lost interest in the future government of Castello Branco).

Gen Golbery do Couto e Silva cleaned out his desk drawers in the Civilian Household Office of the Presidency of the Republic last Friday because the spring which had insured his movements since March 1974, when he returned to Planalto Palace in the company of President Ernesto Geisel, was irreparably broken. He ascertained that it was useless to subject it to repairs at least two months ago, and he certainly understood that the last act of his long stay in power, or the last "play by General Golbery," should be a perfect epitome of the quiet and cerebral methods which were always his style and made of him a legendary figure in Brazilian politics.

Until it appeared early Thursday night to provoke a rumble which disconcerted and eventually led to panic among the old foxes in national life, the resignation of the chief of the Civilian Household made a stealthy trip that escaped the vigilance of the most sensitive political sensors. Some friends were bestowed with coded messages which were difficult to decode. For example, Golbery told Bahia Governor Antonio Carlos Magalhaes two months ago that he intended to buy an apartment hotel in Brasilia and he revealed his desire to "even go to Luziana," a municipality in the interior of Goias, 50 kilometers from Brasilia, where he has a place. Magalhaes did not believe him. Last Tuesday, finally, during one of his routine telephone calls to the minister, the governor of Bahia was surprised by another puzzle: a musical message from Golbery.

Interrupting the conversation, the general sang him a portion of an old song by Carlos Gomes titled "Who Knows." "So far, so far away from me, where do your thoughts go, where do they go? I would like to know now." Antonio Carlos took a few minutes to identify the sad song, but it took him two days to note that Golbery had not just had an attack of brilliant humor. He simply was saying,

using a metaphor, that his thoughts were already far removed from the conversation. That is an old characteristic of the general. On 11 October 1977, in the midst of another conversation, he made the advanced revelation by means of a roundabout telephone metaphor that on the following day Gen Sylvio Frota would be dismissed from the Ministry of the Army. Does he have a mania for metaphors? No, Golbery, the creator of the SNI, has a declared horror of telling secrets over the telephone and he lived faithful to his habits until the last minute of his uninterrupted 7 years 4 months and 21 days of power.

#### "It is a Revolution"

Reactions to the departure from the scene of that specialist in secrets demonstrated that very few Brazilians foresaw that the government of President Joao Figueiredo would last week undergo the most serious crisis of its still short history. Minister of Labor Murillo Macedo was dining at the home of businessman Dilson Funaro in Sao Paulo when he was given the news. Minister of the Navy Maximiano Fonseca was at a moving picture in Brasilia when the rest of the country was suddenly faced with a drama that could change the course of its history. The president of the Senate, Jarbas Passarinho, was involved in political activities in Para. Senator Jose Sarney, president of the PDS [Social Democratic Party], received the news late Thursday night. And the rumble of the revelation was delayed in reaching the Congress, which was deep in the somnolence which marks the prolonged weekeneds in the federal capital.

Late in arising, the country awoke startled, above all because there immediately exploded stories which attributed the departure of Golbery to either clashes with Gen Octavio Medeiros, chief of the SNI, over differences on electoral reform, or to clashes with Minister Delfim Netto brought about by the crisis in social security. "It is a Revolution!" exclaimed the usually calm Cardinal Avelar Brandao Vilela, archbishop of Salvador. To the amazement of reporters, who are accustomed to his telegraphic evasiveness, Minister of Foreign Affairs Ramiro Saraiva Guerreiro came out with one of the most objective statements of his public life. "General Golbery will be greatly missed," said the minister of foreign affairs. "All one had to do was to say one word and he would understand the rest. Any person who comes to replace him, no matter how competent he may be, will take some time to understand everything. It is too bad," concluded Guerreiro, who at that time did not know the name of Golbery's successor.

It is Professor Joao Leitao de Abreu, an attorney from Rio Grando do Sul, who as chief of the Civilian Household of the Emilio Medici Administration showed disdain for extremely liberal ideas (see the article on page 28), as did the entire government of that period. The appointment of Leitao de Abreu, revealed last Friday night, made the circle of Golbery admirers grow suddenly when it was joined by the opposition. Up until dark Thursday, the opposition said that Golbery was the great Satan of Brazil--and they made believe they believed it. Before the cock crowed three times that same night, they denied everything and suddenly yearned for "the plays of Golbery." From fierce enemies of the general they began to praise his efforts advocating the process of political opening (see square on page 23). He had already foreseen that, when on the 2nd, the first Sunday in August, he wrote two letters addressed to President Figueiredo, which put an end to his long experience in power.

### List of Grievances

One of the letters was short and formal. The other was long and couched in much more intimate terms. Last Monday, Doctor Guilherme Romano, an old friend of Golbery, and the private secretary to the president of the republic, Heitor Ferreira, learned of the letters and the imminent denouement, but they kept mum. It is known, however, that the second letter to the president consists of an inventory of the grievances accumulated by Golbery during his time in the Figueiredo Administration.

At least four of them were expressly mentioned, according to Romano:

His failure to convince the government to forget the nuclear program.

The refusal by Planalto Palace to include the 13th payment in the payroll of the government bureaucracy.

The rejections of some measures he advocated in discussions on the destination of the funds of Social Security.

The lack of control over state companies and the defeat of his theories that the process of decreasing state participation should obey political criteria.

If they hastened the political retirement of one of the most brilliant contemporary Brazilian strategists, it is probable that those reasons may have had a lesser influence over Golbery's decision than other problems elegantly omitted in the messages formally delivered to Figueiredo last Wednesday. The president understood that any attempt to keep Golbery in his post would be useless, and a farewell ceremony was scheduled for Friday. A resounding number of leaks, however, preceded the announcement of the most serious defection suffered by the Figueiredo government up to now, by 24 hours.

Thursday evening, an SNI agent whispered to a Sao Paulo newsman that Golbery was resigning. The information was passed on to the editorial offices of JORNAL DO BRASIL in Rio de Janeiro and a reporter was detailed to check it with Doctor Guilherme Romano. Reached at his office at the Santa Lucia Clinic in Rio de Janeiro, where he had his bags packed prior to leaving for Brasilia once more, the general's friend confirmed the story. Unfairly accused of having been responsible for leaking the story, Romano who restricted himself to confirming a fact, actually proved that he was able to keep secret for four days one of the most sought-after secrets of the republic. Friday morning, finally, an official note from Planalto Palace announced that which was already being shouted by all the headlines of the country's newspapers.

### Lighted Clues

The Planalto note said that "around the middle of July" Golbery told President Figueiredo in confidence about his decision to leave the government. Prior to that, at least one other person, former President Geisel, showed misgivings on the subject: "Any day now, Golbery is going to chuck everything and leave," warned Geisel. One of the ministers who sits at the "meeting at 0900," noted

intriguing changes in the general's behavior. "It could be noted that Golbery had changed a month ago," commented that minister. "He gave the impression that he was no longer interested in maneuvering, he preferred head-on clashes, something which was not his style."

Finally, lighted by the spotlights of the resignation, some clues which Golbery himself scattered here and there in recent weeks, came to light. Fifteen days ago, in a walk at his place in Luziania, he explained to a friend that he felt some difficulties in the government and that he had already decided not to remain at the palace until the end of Figueiredo's term. Last Tuesday, when the two letters had already reached the addressee, he told an aide that on the 21st of this month, when he reached 70 years-of-age, there would be no party at all. "I do not even know where I am going to be," he said. It is probable that even before the inauguration of Figueiredo, Golbery knew that he would not last out the 6 years of the presidential term at the same address.

Friday morning, while vans of the Bordon Cold Storage Plant drove to the Ipe Estate, his official residence in Brasilia, to collect the belongings of the Golbery and Esmeralda Couto e Silva couple, and the general opened his almost inaccessible office at Planalto to groups of reporters for the first time in more than 7 years, friends of Golbery searched for the roots and the origins of the resignation. In February 1979, for example, a few days before the inauguration, Governor Antonio Carlos Magalhaes made a somber forecast to the general: "I believe that you are going to lose power in the new government," he warned. Golbery asked why. "Everyone says that you manipulate Gen Ernesto Geisel, but the picture of the president beating his fist on the table does not encourage that story," explained Magalhaes. "In the case of General Figueiredo that story is going to continue and it is going to stick."

#### Slim Clue

Former Minister of Education Eduardo Portella had a talk with Figueiredo early in 1980 in which pointed out a certain discomfort of the president with the image of Golbery. Figueiredo appeared to be somewhat concerned and Portella tried to encourage him. "Your image is very good in public opinion," said Portella. "That of the government is poor but people believe in the opening, they believe in you." Figueiredo pointed to a photograph of Golbery on the front cover of VEJA and replied: "What good is that if Golbery receives the credit for doing everything?"

Neither has the story been denied for the time being that Figueiredo told Golbery in the midst of a meeting that he accepted "suggestions but not instructions." In principal the phrase clashes with the level of relationship between the two, as evidenced in the letter, filled with praise, with which the president accepted the Golbery resignation. If perhaps the phrase was spoken, it is improbable that it was not softened by an apology. Moreover, having coexisted for many years with Gens Sylvio Frota and Hugo Abreu, Golber proved to be a formidable swallower of insults--he is not easily offended--nor would he have resigned over problems of style. Incidentally, at the entrance to his office is the picture of a huge toad titled "The unknown toad" [ To "swallow a toad" means to swallow an insult].

Therefore, these small episodes are a weak clue. The cup filled up as time went by. It was filled to the brim by the events of Riocentro (see the square on page 26), an episode which if it had depended on Golbery, would have had a different outcome than that which was approved by Gen Gentil Marcondes Filho, commander of the 1st Army, and it overflowed with the recent military reshufflings. An ingredient of the cocktail of bitterness served to Golbery was the selection of Gen Jose Luiz Coelho as chief of the Ministry of the Army. On various occasions, Coelho Neto, commander of the 4th Military Region, made quiet criticisms of Golbery, who more than once expressed his disagreement with the frequent political talks by the general.

#### Dangerous Hypothesis

Indeed, Golbery is an old enemy of any type of military pronouncements. In a lecture he gave at the Superior War School [ESG] in July 1980--it was just published as a preamble to the republication of his famous book "Geopolitics of Brazil--he said very clearly: "We all have to reeducate ourselves for democratic coexistence." He was convinced that on the military front a halt should be made to unsuitable statements which could be interpreted as a sign of government weakness or divisionism within the armed forces. The halt was not ordered, on the contrary, a succession of statements was recently made by military men who advocate elections in 1982. In the opinion of Golbery, those speeches, even if well-intentioned, are something which backfires. After all, if a troop commander says that there should be elections after the president has guaranteed that they will be held, there is implicit in the statement, that despite the position of the president, some other military commander may be against them.

For Golbery it would be much easier to defend such theories if there were perfect agreement in the "meeting at 0900." There was not. In the early months of the Figueiredo government, Gen Octavio Medeiros, in a talk with a legislator friend, did not include Golbery when speaking about who were the most intimate advisers of the president. Later on, the same legislator would personally note that the presence of Golbery in those morning meetings was marked by something unusual: All the military men who participated in the meetings, including Figueiredo, called him "Mister" Golbery, who in turn always addressed the president as "President."

Since the end of last year, moreover, General Golbery advocated a ministerial reform that would give logic to the government and abolish four ministerial positions, those of Ervane Galveas (Finance), Camilo Penna (Industry and Commerce), Cesar Cals (Mines and Energy) and Jair Soares (Social Welfare) and carry along with them the president of the Central Bank, Carlos Geraldo Langoni. In February, in a meeting with a second echelon technician, he went as far as to say that those necessary changes would be made "by the end of April." According to Golbery, some ministers should be replaced because of incompetence and others because of the simple fact that they were strong candidates for the governorship in their states, for example, Jair Soares in Rio Grande do Sul and Cesar Cals in Ceara.

## Countdown

Those candidacies, according to the general, would lead the ministers to cultivate programs and positions which inevitably would cause more expenditures. That ministerial reform lost momentum within Planalto and exploded definitively on the night of April 30 together with the Riocentro bomb, where an army sergeant was killed and a captain of the DOI-CODI [Department of Domestic Operations-Internal Defense Operations Center] was wounded. In that episode, right from the beginning, the chief of the Civilian Household advocated the theory of an absolute fixing of guilt for the explosion. Such a line, however, was then undermined within the government, primarily by the actions of the security community headed by Gen Octavio Medeiros. In the days following the incident of Riocentro, Golbery adopted a behavior from which he would never deviate: He refused to speak about the subject. General Golbery knew exactly what the real target was. In August 1980, when a bomb exploded at the OAB [Brazilian Bar Association] building in Rio de Janeiro, Golbery said positively that "the attacks are aimed at sabotaging the opening process." After Riocentro he did not even say that. At least two ministers of the Figueiredo government aver that it was there, the bombing of Riocentro, that the countdown which ended last week with the resignation of Golbery should begin. "I do not know if there was one decisive fact. I believe, however, that his decision is more the result of the sum of the facts, said former Minister Mario Henrique Simonsen last Friday, who also left the Figueiredo government in August 1979 when he lost respect because of the way the country was heading.

## Different Temperaments

With the Riocentro crisis, a collision course between Medeiros and Golbery was set. A former minister, who today holds a high post in the administration, reveals that Golbery told him in confidence, in a talk around the end of July, about his displeasure with the formula which finally predominated in the government to deal with the affair. In his understanding, it would be a "regression in the opening." Indeed, since the beginning of the government, there were speculations about tensions between the chiefs of the Civilian Household and the SNI because of the role which each of them represented in the government: Golbery pushing the opening and Medeiros looking to see where it was moving too fast. Initially, those differences were accepted as logical and "even the results of differences in temperaments." After the Riocentro explosion, however, the game became brutal. Pressures were brought to bear on the private secretary of President Figueiredo, Heitor Ferreira, political confidant of Golbery, pressures which resulted in his disappearance in the past 90 days from the political scene of the country, where his most recent feat of arms was managing the election of Deputy Nelson Marchezan to the presidency of the Chamber.

## Spokesman in Exile

Heitor was removed from the first string of the government team after Gen Medeiros and Gen Venturini, chief of the Military Household, expressed the opinions of military men opposed to the prestige enjoyed in political circles and in the press by the president's private secretary--many officers persist

in viewing him as a former captain--he left the army with that rank in 1966. Disciplined, Heitor disappeared into the vastness of his office; he avoids politicians and he stopped talking to newsmen, who had in him the most accessible spokesmen among the inhabitants of Planalto. His exile as a spokesman led Marchezan to ask Medeiros if the measure was suitable. "He needed to lower his head," replied the chief of the SNI. In exchange, Golbery told trusted politicians that he did not agree with Medeiros with respect to the process of opening. Moreover, he was not willing to cooperate with a possible candidacy of Medeiros to the presidency of the republic.

While he remained in the footlights, Heitor Ferreira heard from Medeiros with a certain frequency about restricting the good will with which he treated newsmen. "Did you have to give that detail?" was the usual complaint of the SNI chief. "They already knew it, I just corrected it," explained Heitor. "But how did they know?" retorted the general. Medeiros won the series of debates of that type with the explosions of Riocentro. The matter was, according to Medeiros, very delicate and Heitor was formally warned to "cease acting as a center forward and play as a back."

On the defensive, Heitor, and Golbery even less, had no means--or perhaps no willingness--to strengthen their flanks, and the seige continued. Last month the secretary of the Civilian Personnel Administrative Department (DASP), Jose Carlos Freire, engaged in the creation of the new public official statutes, consulted his friend Golbery on the suitability of including a reference to the 13th salary payment in the text. This was a matter of a promise made by the ARENA [National Renewal Alliance Party] candidate, Joao Baptista Figueiredo, which could increase the electoral chances of the PDS in 1982. Golbery approved the idea--as an idea which could be put into effect when it were materially possible--and had to withstand the shot fired in that respect by Delfim Netto. "There is no money in the budget," said Delfim in public. "And if it were for helping the PDS, perhaps it would be better to give a 19th salary payment."

#### Differences Denied

Always convinced that the opening process depends on the maintenance of a government majority in the electoral college that will elect Figueiredo's successor, Golbery made another recent and unsuccessful effort to help the PDS. The general believes that the increase in the rate of social security tax will have disastrous effects on the work of the party and he suggested that before any increase, the administration of the INPS [National Social Security Institute] should be swept by the winds of moralization. Still last Wednesday, in a telephone conversation with Nelson Marchezan, he appeared to have hopes of reversing the government trend.

"Minister, many deputies are worried about that increase," complained Marchezan. "But worried about what if it has not yet been decided?" was Golbery's surprised answer. "Forgive me, my intention is only to help and several of them told me that they will vote against it," explained Marchezan. "That is ridiculous," replied the general in a gruff tone, "It has not yet been decided." The position of Golbery throughout the INPS crisis encouraged rumors that insurmountable differences with Delfim Netto were at the bottom of his resignation. Although Netto considers the increase in the percentage of the

tax a disaster caused by neglect, he considers it worse not to impose it, given the monstrous deficit in Social Security (See page 92). "That is an absurdity," guaranteed Delfim Thursday, "The minister and I have more convergent than divergent points of view." In the field of the rational, in fact, they understood each other--one always knew that the other was incapable of uttering foolishness and for that very reason often stood side by side.

In other times, Golbery would have easily swallowed those minor insults and back in his office would continue to ponder greater questions. He spent a good part of the past 7 years going around obstacles of assorted sizes; he never forgot that the goal was to help the country return to democracy. Lately, however, Golbery appeared more and more dissatisfied with the rate of progress of the opening, rate he considered slow. Perhaps he may have concluded that it would be useless to try to hasten it and, therefore, it was not worth undermining his health even more.

#### Gains and Losses

It is unlikely, therefore, that General Golbery left, essentially, because of something that was--but probably he left when he saw, with the help of what there was, what there could be. Although it was said jokingly some weeks ago that his crystal ball was broken, Golbery knew that he functioned enough to see within the government a future that was not worthwhile helping to design. For example, he had noted in past months the first signs of military efforts to exert influence in the electoral reform and create the successor to President Figueiredo.

In view of such prospects, plus a gentle pressure from his undermined health, which forces him to undergo sessions of physiotherapy to expel a cold from his bronchial tubes and to frequent inhalations to decongest them, the sorcerer quit--even when he believes that for a military man such as he "to ask for retirement is somewhat more complicated than for a civilian."

Hours after the resignation of the Brazilian politician, who after Getulio Vargas was longer in power without ever having obtained a single popular vote, Planalto was shaken by settling of the ground which could cause deep changes in the field of power. Without the protective cloak of General Golbery, Minister Ibrahim Abi-Ackel, for example, loses stature, just as Deputy Thales Ramalho will encounter more difficulties in finding palace intermediaries. Governor Marco Antonio Maciel of Pernambuco will suffer a decline in the number of visits he makes to the 4th floor of Planalto Palace, and Governor Pedro Pedrossian of Mato Grosso do Sul will have to reduce the margin of risk of his maneuvers.

Others acquire space with the political resurrection of Professor Joao Leitao de Abreu. Such is the case of Governor Paulo Maluf or of Senator Jarbas Passarinho, who maintain special relations with the remnants of the Medici government. It is also unlikely that Deputy Nelson Marchezan and Governor Antonio Carlos Magalhaes will have to wait in line when they request an audience with the chief of the Civilian Household. However, it is still too early to count the gains and losses of the country with the fall of the main

promoter of the opening process. President Figueiredo complained of Golbery's decision to one of his ministers, saying that he abandoned his government with the same semiceremony attributed to former Minister of Planning Mario Henrique Simonsen and that he felt hurt because he had not received, in his understanding, the reasons for his departure. Thus, Golbery left power under a chorus of laments which range from that of the president to that of the most obdurate opposition to him, who finally fear that without the general they may be worse off than with him. Friday night, while he strolled through the gardens of the Ipe estate with Dona Esmeralda, on the eve of his final departure for Luziania, Golbery smiled. The sorcerer quit when they were beginning to lose trust that his magic would work, but he knows, and that is why he laughs, that there is no better magic than his. Perhaps this is the last "play of General Golbery."

[Box on Page 23]

#### The Resignation Brings Fear to the Midst of the Opposition

The opposition is afraid. For the outside public, the opposition always endeavored throughout long years to blame Gen Golbery do Couto e Silva for everything bad that happened in the country. For the internal public, it murmured praises for the architect of the political opening. The opposition had a relationship with the general that was at the same time one of hate and admiration--hate because they knew he was competent, and admiration because they knew that basically their interests were better attended to with him than with anyone else in power. The hate began to be buried Thursday night of last week. It was the hour of truth, and because it had deceived the public for so long, the opposition surprised it by demonstrating a vast feeling of bereavement and despair.

"We are all lost," summed up Senator Tancredo Neves, president of the Popular Party [PP]. Tancredo, who has already said he "never knew another man who had such a hunger for power than Golbery," was incapable of foreseeing that one day Golbery would spontaneously abandon the power "he exercised with so much competence and pleasure," as the senator himself believed. The reaction by Tancredo was shared by the majority of the principal leaders of the opposition. Accustomed to pointing to Golbery as the personification of an evil genius, Senator Franco Montoro of the Sao Paulo PMDB [Brazilian Democratic Movement Party] lamented his resignation: "He was the one who sustained the political opening." Former Governor Leonel Brizola, chief of the PDT [Democratic Workers Party], pretended he attached no importance to it: "It is now simply a matter of a simple replacement of a minister." Deputy Ulysses Guimaraes, president of the PMDB, preferred not to say anything: "I have nothing to do with that." Since he did have something to do with it, he broke an old habit and did not leave Brasilia on Friday. Deputy Magalhaes Pinto of the PP, Golbery's comrade in the 1964 conspiracy but his enemy since the Castello Branco government, was the only politician to praise the resignation of the general: "It was very good for the country, now Figueiredo will be the president of Brazil."

[Box on page 24]

### A New Routine among Books, Goats and Seriemas

Since Friday evening, Gen Golbery do Couto e Silva, the quintessence of a palace personality, abandoned the status of an urban Brazilian and adopted the status of the rural population. He lives at his place at Luziania in Goias, 50 kilometers from Brasilia, in the neighborhood of an old ranch belonging to President Juscelino Kubitschek. That property of nearly 200,000 square meters, has a small house, where Golbery has not yet managed to install his 10,000 books, surrounded by gardens and a veritable zoo managed by his wife Dona Esmeralda.

There are cows, horses, seriemas, goats (one is called "Deputy," name received in the Brasilia zoo where he was born), monkeys and thousands of small birds. In the midst of these gardens which are crossed by a stream, can be seen a rarity: the figure of the general, eternally wearing a tie at the palace, now wearing jogging clothing with a cap on his head. In the house at the place live he, his wife and his youngest daughter, 12. In a small guest room there is a captive customer, Doctor Guilherme Romano of Rio de Janeiro, the steadfast friend of Golbery.

Golbery will live on 220,000 cruzeiros per month from his retirement as a major general, since he cannot combine it with the pension to which he would have the right as the former minister of the Comptroller General's Office, post he occupied from 1967 to 1968. Last weekend, he renewed his obsessive reading habits while listening to a sound system which carries classical music. The government lost a minister, the bookstores gained a good customer.

[Box on page 26]

### The Minister Wanted a New Investigation on Riocentro

Concerned about the direction the IPM [police-military inquiry] was taking on the Riocentro explosion, General Golbery allowed some measures which would guarantee the legal survival of the investigation. The process was laid to rest last Tuesday when the hearing judge, Edmundo Franca de Oliveira, asked for the shelving of the IPM and suggested the opening of another investigation to look into the explosion of the bomb which damaged the organization's building in Riocentro. When it lands on the desk of Military Justice magistrate Celio de Jesus Lobao, the question would be forwarded to the Superior Military Court, where according to the previous inclinations of some judges, the IPM would be reborn from the ashes.

Golbery blessed those measures because from the beginning he disagreed with the blunderings of the investigation. The first office in charge, Col Luiz Antonio de Prado Ribeiro, wound up in the 1st Army Hospital as soon as his intentions to intensify the investigations were made clear. In one of the first depositions he collected, he heard from the chief of the DOI, Lt Col Julio Miguel Molina, that Capt Wilson Machado, his subordinate, was in Riocenter to supervise his team and that an "accident" happened then. Molina pronounced the word "accident" literally.

The IPM therefore, had a strong sponsor, Minister of the Army Gen Walter Pires and, directed by Col Job Sant'Anna, it concluded by finding Captain Machado and Sgt Guilherme Pereira do Rosario innocent. On that same day, when the conclusions were presented to the press, General Pires sent a copy of the investigation to Planalto and a firm request: He wanted a statement favorable to the government in 24 hours. Since the statement was not forthcoming, the minister wrote a public commendation in his own handwriting to the army about the way the IPM was handled.

#### The Man of Discipline

Every time that the Porto Alegre soccer team lost a game in the Rio Grande do Sul championships at the beginning of the 60's, the students at the PUC [Pontifical Catholic University] Law School knew that awaiting them at the classroom of the Administrative Law on Monday would be a professor in a foul humor who called the International team "the snappers" instead of the "reds," and with ill grace withheld the sound of footsteps or the rustle of papers. But that professor, the former seminarian, lawyer and jurist Joao Leitao de Abreu, successor to General Golbery as chief of the Civilian Household of President Figueiredo, on days of victory also consented to cutting short his ramblings about Austrian jurist Hans Kelsen and to taking off with the students for some beers at the nearest bar.

Those are, in order, the great rule and rare exception in the always methodical behavior of Leitao de Abreu. Once more raised to a key post in the government, from the heights of which he viewed the country during the four and one-half years of the Medici government, that 68-year-old man from Rio Grande do Sul--four daughters and six grandchildren--rekindled once more on the political scene with his sudden rise last Friday, the almost extinct memories of a phase when Planalto Palace was ruled by the strictest discipline.

"I will give the same cooperation that I had the honor to give to President Medici," he declared in the first interview with newsmen at 2000 on Thursday, after they invaded his apartment on block 316 at the end of the Southern Boulevard in Brasilia. If in fact it were to be the same, that cooperation will be marked by profound changes in the political routine of Planalto: With a timid manner, few gestures and a tiny circle of friends, Leitao reveals above all traces of a temperament at times just the opposite of his predecessor. While Golbery coordinated the ministers, administering differences patiently, the new coordinator of the Figueiredo government will do so with repeated lessons in discipline. If there are important changes in the characteristics of the political opening from here on, they will begin precisely in the degree of freedom--less of it-- of the other ministers.

#### With a Recorder

The style will certainly undergo changes. "The Brazil of today," he admitted in the interview, "is much more complex, just as the entire world is much more complex, than it was in the times of the Medici government." However, it is not difficult to foresee in his mental approach to his new duties, some strong points, old and well established, such as his adherence to order, his marked Catholicism, his academic admiration for the French classicists and his devotion

to the philosophy of law. That devotion, which even today makes him study a great deal and drove him in the past to publish some legal works, concluded by introducing a strange machine into his daily routine. The new minister is accustomed to carrying a recorder in his car and uses the time during trips through the streets of Brasilia listening to lectures by European jurists on tapes, which he orders from France and West Germany. It is also inevitable that there will be a resurrection of the old habits of the times of the Medici government, when he was the first to arrive in order to have time to read the DIARIO DE JUSTICA.

The selection of Leitao interrupts what had promised to be a tranquil end to the career of the jurist in the Federal Supreme Court (STF), where he would have surely assumed the presidency next year and retire mandatorily in 1983. He would thus end a devoted career as a lawyer--he received his degree in law in 1946 in Porto Alegre. Twenty years later, he undertook public office as chief of the Civilian Household of the Ildo Meneghetti government. Brother-in-law of former Minister of War Aurelio Lyra Tavares, a traditional military man of the old Rio Grande do Sul Libertador Party, Leitao de Abreu from then on lived a political career which went in cycles. He arrived in Federal politics through the efforts of the minister of justice of the Castello Branco government, former Senator Mem de Sa, in 1965. A rare example of a minister who maintains his liberalism to the end--he resigned shortly thereafter to avoid signing the cassation of Rio Grande do Sul deputies who were preparing to defeat the candidacy of Peracchi Barcellos to Piratini Palace--Mem de Sa, by removing himself from the political life of Leitao de Abreu, exposed it to some marked changes. As chief of the Civilian Household of the Medici government, who brought him up from the south once more to the central plain, primarily because of his legal knowledge, he was one of the proponents of a government diametrically opposed to one with the concepts of Mem de Sa.

His long life with the law was demonstrated in a small but significant episode on Friday afternoon: At the end of the session of the Federal Supreme Court, where he routinely distributed 63 cases--he was replacing absent president Minister Xavier de Albuquerque--he shut himself up in his office and needed no more than 5 minutes to write the 97 words of his request for retirement addressed to the president of the court. It was less time than was spent by his nervous secretary in typing it.

That skill as a writer, however, bore more acid fruits in recent Brazilian history. The most remembered of his writings was undoubtedly Constitutional Amendment No 2, which Leitao de Abreu wrote at Planalto Palace in April 1972. There are no indications as to how long it took. It is only known that he had the help of Minister of Justice Alfredo Buzaid and of the leader of the Senate, Filinto Muller. The amendment, establishing the rules of the electoral game for 1974, changed the elections for governors into indirect elections.

#### Liberal in the STF

The episode which shredded the career of important oppositionists, cost him some bitter moments. The approval by the senate of his name for the STF two years later in another government depended on the scant 25 ARENA votes against 16

negative votes and four abstentions. The MDB [Brazilian Democratic Movement] had seven senators at that time. With the counting completed, in the early days of the relaxation of tensions, Leitao accumulated 13 enemy ARENA members in the Senate. Assuming the position of minister of the STF in June 1974, he went on to exhibit greater tolerance. He refused to accept the charges made against Deputy Florim Coutinho, who was accused of defaming a prefect of the state of Rio de Janeiro in 1976. He also disagreed with the attempt at criminal charges made by former Senator Clodomir Milet against Senator Alexandre Costa, by invoking legislative immunity in the case. He won praise from the opposition when he voted against Governor Paulo Maluf, in an action brought against Maluf by a Sao Paulo attorney for having donated automobiles to players of the Brazilian team.

That liberal phase of his life led many politicians to believe that Golbery's successor may show a new face in the present government. "We hope that Leitao has not undergone the same recycling to which Figueiredo subjected himself," said opposition Deputy Fernando Lyra from Pernambuco hopefully, hours after the announcement of the new selection was made. A long distance away, former Rio Grande do Sul Governor Sinval Guazzelli prophesied with some optimism: "He is a man with enough sense to understand that the political time is now another." Pointing out the love Leitao de Abreu has for the legal career, Guazzelli added: "I am not worried. He is a civilian who has already held office twice at the state and federal levels."

However, the division among oppositionists in their reaction to the new key figure in the government was not long in coming. "The triumvirate of the Medici government is present once more: Figueiredo, Leitao and Delfim," said the PMDB leader in the Senate, Marcos Freire from Pernambuco. "But is he not too old for the post?" asked the president of the PMDB, Ulysses Guimaraes, 64 years-of-age, somewhat inappropriately. Apparently it is an unnecessary concern of the Sao Paulo deputy. At 68, accustomed to sleeping not more than 4 hours a night, Leitao has always shown a great penchant for work and he boasts of rising early every day "to think."

An old difference with Leitao led Senator Paulo Brossard to maintain a thoughtful silence. "That belongs to another area. I am not going to talk about him," he said shortly. It was a foreseeable reaction. Having declared his vote in 1968 against the appointment of President Medici in the Congress, he was removed in 1972 from his position in the Federal University of Rio Grande do Sul, where he taught constitutional law. Leitao being a central figure in the administration which removed him, Brossard reduced his relationship with him as of that time to mere and unavoidable formalities.

#### The Medici Group

The chief of the PDT, Leonel Brizola, admitted that there is more than enough "room for work if he wants to," and uttered some doubts as to the return of the group that ruled during the times of Medici: "I do not even know if a Medici group exists," he said. "I trust in the national conscience which is stronger than any group." Brizola was not in the country at that time, but he cannot be unaware that the group did in fact exist. Until 1973, Leitao de Abreu

emerged as the strongest candidate among the ministers of the Medici government to the presidency of the republic via a complicated stratagem: Ministers such as Delfim Netto and Mario Andreazza, now present in the ministries, believed it was possible at that time to obtain the prolongation of the term of General Medici for some years so that then they could pose the candidacy of the civilian Leitao in his place. Such maneuvers had one obvious goal: that of blocking the candidacy of the man who was then president of PETROBRAS [Brazilian Petroleum Corporation], Ernesto Geisel. The movement failed when it came to the attention of Minister of the Army Orlando Geisel, who personally ended the terms of the ministers-electors of Leitao.

#### Negotiator

The most important question emerging with the political resurrection of Leitao de Abreu--his possible willingness to negotiate with politicians who are a little less docile than those he usually ignored during the times of Medici--finds in a few of the past experiences some fragile points of comparison. One of them arose with his enthusiasm for soccer and for the Gremio team, of which he has already been president, vice president and up to now, counselor. In an active electoral campaign within the club, he went to Porto Alegre to be what some friends called "the Golbery of candidate Helio Dourado." Gathering associates, speaking loudly or negotiating with discretion, he led his favorite to victory. One of the four votes in his winning margin was that of former Governor Peracchi Barcellos, also a Gremio fan, cast at a hospital where he was a patient.

Three months previously, Leitao de Abreu obtained another good result, this time in a much more important matter: a brief but delicate misunderstanding arose between President Figueiredo and former President Medici in August last year. During a meeting between Figueiredo and a group of PDS politicians, the president declared that the difficulties being faced by Minister Delfim Netto were due to the existence now of a more democratic government. What was subsequently circulated was that the president described the Medici period as a dictatorship. Planalto denied this the following day but Medici in his apartment on Julio de Castilhos Street in the Rio de Janeiro district of Copacabana, was not convinced. Leitao de Abreu was then called: In a two-hour trip between Brasilia and Porto Alegre--where he met with Argentine president Rafael Videla--Figueiredo discussed with Leitao a way to resolve the problem. Only one person witnessed this talk: Gen Danilo Venturini, chief of the Military Household. Leitao accepted the mission, went to Rio de Janeiro, and resolved the problem. In December, Medici's 75th birthday--Figueiredo was one of the happy guests, among whom was Leitao himself wearing a sash, celebrating the double championship won by the Gremio team in 1980, with the group.

#### Against Telephones

In the ranks of the government itself, reaction to the return of Leitao are far from being harmonious. One of the supporters of this choice, undoubtedly, is the president of the Chamber, Nelson Marchezan. A personal friend of the professor, the Rio Grande do Sul deputy carried him off last month, for example, to a dinner at his official residence, at which a former opposition member from Rio Grande do Sul, today a member of the PDS, Candido Norberto,

was honored. During the Castello Branco government, Norberto was cassated and the episode caused the resignation of Minister of Justice Mem de Sa, along with whom Leitao himself as chief of his office, also fell. At the dinner, Leitao spoke for the first time about the political program of Figueiredo, assuring that he would support the process of opening. An influential governor of the PDS, on the contrary, admitted hours later that Golbery's successor represented "a curb to the bringing" of liberalization to the country. "What has been achieved," confesses that governor, "will be maintained: freedom of the press, functioning of parties, the 1982 elections. However, little or almost nothing will be advanced beyond that."

One of the questions posed by reporters in their first contact last Friday--the Rio-centro IPM--was answered by Leitao simply, with a smile. The country can now begin to accustom itself to such an attitude: Leitao has known how to be as discreet as Golbery was, exceeding him in isolation because of his introverted temperament. He rarely makes an opinion known. Even more rarely are stories told about his talks with presidents. He almost never allows a working office meeting to slide into repetitive or aimless comments. Leitao de Abreu also has another characteristic in common with General Golbery and many other authorities: He does not like to speak on the telephone.

While his political career is not as extensive as Golbery's, he brings an advantage the general lacked: Faced with any impasse with legislators with respect to legal subjects, he only needs a few minutes to come up with a legal text. After all, in 1972 he patched and changed the backbone of a constitution in a little more than a week.

In the exchange of Golbery for Leitao, the regime showed the difficulty it has in finding new heads. After all, if the professor stays until the end of the Figueiredo term, those two men of different activities but of similar habits, both from Rio Grande do Sul, both bearing similarities to the monk, "the grey eminence" of English writer Aldous Huxley, will have occupied the Civilian Household of the Presidency for more than 15 years, more precisely from October 1969 to March 1985. Since Brazil is a country of the young, it can always be said that while men do not change, the offices change. In fact, the old office which Golbery occupied and received from Leitao, was redecorated a few months ago.

[Box on Pages 30 and 31]

#### Old Scenery as in the Times of Medici

With the resignation of General Golbery and the assumption of his post by Leitao de Abreu, there disappeared from the Figueiredo government the last member of the ministries of President Ernesto Geisel and, at the same time, there was a trend anticipated since 1979: The strengthening of those who came from the government of Gen Emilio Garrastazu Medici. When Figueiredo was inaugurated, he had two superministers brought from the Geisel team: Golbery himself and Minister of Planning Mario Henrique Simonsen, who ceased to guide the economy of the country in August 1979. In addition to them, in an inferior position as minister of finance, was the former president of

the Bank of Brazil under Geisel: Karlos Rischbieter, who was removed at the beginning of 1980.

With the most important of the Medici government ministers, Antonio Delfim Netto, the opposite happened. He became, after the fall of Simonsen and Rischbieter, the czar of the national economy. Meanwhile, two other collaborators of Medici, Andreazza (former minister of transportation) and Eliseu Rezende (former director of the DNER [National Highway Department]), remained solidly installed up to now in the Ministries of Interior and Transportation.

President Figueiredo himself was always among those two groups. He was, in his turn, the chief of the Military Household of Medici and chief of the SNI under Geisel. Since rarely have there been such dissimilar governments in Brazil--Medici glorified the AI-5 [Institutional Act No 5] while Geisel abolished it--it is natural that the members of each group clash. Unlike Golbery, the team most linked to the Medici period was characterized by the willingness to maintain the best relations with the community of security agencies led by Gen Octavio Medeiros, a leftover of the Medici government, where he served under the orders of Figueiredo in the Military Office. With the appearance on the scene of Leitao de Abreu, one of the most powerful men of the Medici period, that group wins even more influence, and Planalto Palace today once more presents a scene very similar to that of the early 70's.

#### A Return to the 70's

As of this Monday, the government of President Joao Figueiredo will begin to be ruled by what is called the "First Law of Medici," the first sign of how things are going to change from now on in Brasilia. Under the present situation, the law reads like this: "The president may plague the life of all the ministers; no minister may plague the life of the president. The chief of the Civilian Household, Professor Joao Leitao de Abreu, may plague the life of all the ministers, but no minister may plague his. Minister of Planning Antonio Delfim Netto may not plague Professor Leitao de Abreu, but may plague all the other ministers."

With the departure of Minister Golbery do Couto e Silva, and his replacement by Professor Leitao de Abreu, the Planalto administration system of the first half of the 70's is once more in effect. After all, with one new face, President Figueiredo's administration became nominally similar to that of Gen Emilio Garrastazu Medici, who applied that law in his government, except placing Minister of the Army Orlando Geisel at the top of the list of those who were not to be plagued. That criterion is used in relations with Gen Walter Pires, undoubtedly one of the strongest ministers and one of the closest to the president. In the 0900 morning meetings, when the agenda for the day's work which begins at the palace is decided, at the table will be well-known persons of the Medici government. Figueiredo, the former chief of the Military Household, is the president; Delfim, the former minister of the miracle economy, is today the powerful minister of the seven plagues of recession. Leitao de Abreu, former chief of the Civilian Household, is the new chief of the Civilian Household, and will only change offices. Gen Octavio Aguiar Medeiros, who worked in the Military Household, is now chief of the SNI.

There is only one brand new man: Gen Danilo Venturini of the Military Household, who in the Medici government was one of the closest collaborators with Minister of the Army Orlando Geisel.

#### Finger in the Electrical Outlet

In addition to those physical similarities, from here on in the difference between the Figueiredo style and that of former President Ernesto Geisel will become more and more obvious. In two and one-half years of government, using the system left by his predecessor of many joint meetings, Figueiredo was under fire from two sides. He was accused of not being in charge, because supposedly General Golbery did everything, from one side, and from the other, he was accused of not resolving the matters which Golbery, precisely so as not to appear to be a grey eminence, delivered to him for his decision.

As of now it is probable that the importance of joint meetings will decline and, to the general surprise, it is true that the new chief of the Civilian Household because of his style, will do things that Golbery could never have done without giving the appearance of assuming the presidency. Frequently, in the Medici government, for example, Leitao de Abreu told a minister that a certain matter should remain on his desk for a few days before being presented to the president. Faced with that statement, the ministers had one recourse: confer with the president. In the majority of cases that conference meant sticking a finger in an electrical outlet where a shock awaited. It is not that it is Leitao who wants to make decisions for his chief but rather it is his chief who does not want to make a decision without discussing the matter with Leitao alone.

A metamorphosis occurred with Professor Antonio Delfim Netto at the 0900 meeting table also. He had a good relationship with Golbery, but always perceived that his economic limits were restricted by the political activity, which the chief of the Civilian Household did not share. Delfim, therefore, could freely make decisions in his area but had to adapt himself to Golbery's plans, plans which the general never showed in their entirety. In the last days of last week, when he already knew that Leitao would take Golbery's place, Delfim radiated happiness at the renewal of an alliance which in the time of Medici functioned perfectly. Moreover, Leitao and Delfim were always friends, while Golbery blocked the path of the minister of planning to the governorship of São Paulo on two occasions.

#### "We Shall See"

The rise of Leitao de Abreu despite his logical nature, will cost Figueiredo almost all his bridges to former President Ernesto Geisel and even to Golbery--the two never had good relations with the present chief of the Civilian Household. Outside of the Palace peerage, Leitao represents a new order in which as far as the eye can see, there is more severity than opening. On one hand, it is true that Minister Delfim Netto will arrive in Brasília with all his kitchen knives. "Now we shall see what it is to cut," he guaranteed last Friday after having defeated his adversaries in the battle over the monetary budget, which is now with the president.

In the economic field, the new Figueiredo government, which began with the departure of Golbery, should show a strictness unconcerned with political consequences. This justifies renewed speculation around the theory, according to which Delfim never lost his fascination for a less open regime. In exchange, the period of ministerial democracy during which rival ministers undermined him, freeing funds with the president which Delfim believed he had frozen, has ended. Therefore, it is believed that it will be possible to heal the economy by means of an extremely rational containment of expenditures and, therefore, of the recession.

In the political field, a veteran such as the governor of Bahia, Antonio Carlos Magalhaes, already foresees "some changes in the opening." Read this to mean instantaneous repression of strikes and illegal actions, more demands by the government of the PDS and a more brutal game in relations with the opposition. The government is going to challenge the balance of the system of opening, forcing the opposition more and more to give way to insure the holding of elections. After all, in a reasoning from a position of strength, the government knows that faced with the prospect of a serious military crisis, the so-called "civilian society" backed off, accepting the debatable theory that the Riocentro bomb insured the continuation of the opening process.

#### Under the Canvas

These changes in the Figueiredo government in the foreseeable future, do not result solely from the replacement of Golbery. They are the product of more than two years of ferment and internal struggles in the government, which ended with the obvious prospect of the defeat of Golbery's plans. On various occasions Delfim Netto described the former chief of the Civilian Household as "a circus pole," in an allusion to the hypothesis that with his departure the canvas would lose its support and collapse on the circus ring. In 48 hours last week, he must have certainly become convinced that they do not make circuses like they used to. He now believes that the canvas is well supported with the new friendly trunk, his friend Professor Leitao.

Beneath the canvas, however, there is a government which is much different than the one which took over in March 1979 at the end of one of the stormiest presidential successions in the history of the country. The list of casualties of Civilian Household ministers is extensive, more extensive probably than in any other post 1964 government. Mario Henrique Simonsen, who was the guide of the economy of the Figueiredo government, spent the week cocking an ear to learn of the departure of Golbery and the other to the premier this Sunday of the opera "Tristan and Isolde." Karlos Rischbieter, minister of finance, was run over by Delfim and is now managing a Volvo truck plant in Curitiba. Eduardo Portella of Education was eliminated in the first assay at ministerial cannibalism by the intelligence community. Said Farhat, the inventor of "Joao," fell, and with him disappeared his own Ministry of Social Communications [Ministry of the Media]. Petronio Portell, the skillful political manipulator, died of a myocardial attack, with presidential ambitions (see the article on page 81). And of them all, the most designing was Mario Castro Lima of Bahia, a placid doctor who quickly tired of the work, of the title of "Minister of Health," of Brasilia, of the government, and everything else.

He passed by the cashier, collected his pay and silently went home without even speaking ill of anyone.

All together, counting Golbery, there are seven fewer in the civilian team which began, the sign of a government which up to now has not managed to establish itself solidly. The "First Law of Medici" could finally give it the discipline which it has not yet learned.

8908  
8142/1791

**OPPOSITION TO REGIME SAID TO BE GROWING**

Havana JUVENTUD REBELDE in Spanish 15 Jun 81 p 4

[Interview with Ricardo Cortes, member of the OCLAE Secretariat, by Elsa Claro]

[Text] This year, 80,000 students were left out of universities in Chile, with little or no possibility of entering centers of higher education in the future. The problem, which is rooted in the fascist essence of the regime itself, has peculiar features which make the situation more dramatic and tense at the present time.

In discussing the matter with Ricardo Cortes, member of the permanent secretariat of the Continental Latin American Student Council [OCLAE], he told us that student protests in his country are extremely important political events. On one hand, the growing manifestation of the student movement as a force in opposition to the regime, must be established and on the other hand, the harmful measures that have forced this sector to take action must be studied.

To those measures we must add the unprecedented action by the repressive forces in searching the Metropolitan Cathedral, in order to take prisoner students who were conducting a hunger strike.

The law which has provoked this wave of protests is intended to give the regime a voice within the sphere of the university, Cortes tells us. The dictatorship must seek a model that would be favorable to it and fit the economic mold it is setting up. In addition it is an attempt to silence nonconformist voices and to whisk the truth away from the public, giving an appearance of legality to what is nothing more than militarizing education and giving it, in content and form alike, an elitist nature in accordance with the long and short term plans laid out by Pinochet and his imperialist advisor.

The process was begun by talking of self-financing, which in reality meant reducing registrations and the number of scholarships, as well as fewer teaching materials, among other things. Then they go on to eliminate a group of courses, and give them new entrance requirements, that is, according to the kind of course, one pays more for the right to take it. The amount depends on the social prestige, importance, and occupational demand for them. Thus the fixed fees for the 12 courses of study from which one may choose range from 15,000 to 60,000 pesos (39 Chilean pesos to the dollar).

So thousands of students are unable to enter the university. This is precisely one of the reasons for that law.

In addition, there is the dismissal of hundreds of professors, some highly respected personalities in the culture, who have been "purged," or subjected to unemployment because their facilities have been closed.

In a parallel action, the regime has imprisoned or exiled thousands of young people, above all those who stood out in rejecting the constitutional farce which included among its filthy webs laws and regulations such as the one that is affecting so many students.

While the young hunger strikers in the Metropolitan Cathedral were demonstrating their rejection of that which is limiting their lives and futures, other groups are still making the same kind of protest. Young workers and trade union sectors have supported these demonstrations, which is what they are, against the regime itself.

And that is what the military junta wished to avoid, which is why they invaded the church, violating standards and rights, influencing the priests themselves to side with the youths and join the strikes. But it has not been able to silence the repudiation of the new garments in which a shameful regime, which was born stained with blood and foul crimes, which is an insult to the human condition, is attempting to clothe itself.

8587  
CSO: 3010/1698

## THIRD TENDENCY EMERGES WITHIN DEMOCRATIC RENOVATION

San Jose LA REPUBLICA in Spanish 16 Aug 81 p 3

[Text] There was a meeting last Thursday of leaders of the controversial party, Democratic Renovation, in the home of the former minister of public security, Juan Jose Echevarria Brealey.

Three principal subjects were discussed at the meeting. According to a witness, the first point was the possibility of not "delivering" the Democratic Renovation party [PRD] to the Calderonist Republican Party [PCR] inside the Unity Coalition and to enter the election campaign with an independent slate of candidates for national deputy, county supervisor, and town councilman.

The second subject dealt with setting up a plan to bring pressure on the new deputies of the PRD, who are in the majority followers of Rodrigo Carazo, in order to obtain from them a decision supporting the previous point. And as the third point, a report was read which said that full financing for this latter tactic was available and ample.

In view of what was said and discussed, political observers consider that the idea is to form a third force or group within the Democratic Renovation Party headed by Echeverria Brealey.

The other groups are as follows: one supported by Roberto Tovar Faja and Oscar Aguilar Bulgarelli, which favors complete cooperation with Unity through strong ties with the Calderonist Republican Party; and the other is the so-called "dissidents," which is headed by Alberto Lorenzo, Enrique Madrigal Montealegre, Rolando Romero, and Alvaro Monestel Arce, and advocates more or less what the new group advocates but excluding former minister Echeverria Brealey and all those leaders who, in one way or another, follow the thinking of Rodrigo Carazo. The "dissidents" are also struggling to unify the opposition to the National Liberation Party [PLN], without discrimination or exclusiveness.

It should be remembered that 8 years ago these dissidents were eliminated as national deputies for Democratic Renovation by the provincial conventions led by Oscar Aguilar Bulgarelli and Roberto Tovar Faja.

It was learned that among Democratic Renovation leaders attending the meeting on Thursday were Guillermo Vidal, Jose Montero, Hernan Bravo, Flor Monge de Bravo, Olinda Alfaro, Juan Elias Lara, Mario Esquivel, Enrique Segura, and Roberto Delgado, and others, whose presence was not officially confirmed.

Right now the probability is quite high that the new group will go into the PRD convention, convoked for the 22nd of August by Oscar Aguilar Bulgarelli (who occupies sixth place for deputy on the Unity ballot) with these tactics.

9015  
CSO: 3010/1740

## ECLJN: INTERNATIONAL COMMUNISM BEGINS DESTABILIZATION PLAN

San Jose LA REPUBLICA in Spanish 16 Aug 81 p 3

[Text] The Christian Army for the Liberation of Nicaragua, a group that has been formed in our country to fight the Marxist regime in Nicaragua, states in a manifesto that there is indeed a plot against Costa Rica.

The communique states the following:

The Christian Army for the Liberation of Nicaragua (ECLJN) makes known to the public that the dark forces of international communism, in macabre and criminal complicity with many bad Costa Ricans, have set in motion a plan of economic, political, and social destabilization in Costa Rica. Included in this plan are armed actions in Limon, San Carlos, San Jose, and other provinces, the blowing-up of bridges and the assassination of political adversaries and key business figures. To this end tons of arms have been unloaded in Ciudad Neily, Jicaral, and Barra del Colorado.

We also denounce the physical presence of over 400 Argentine Montoneros in Costa Rican territory, 200 Uruguayan Tupamaros, and many members of the EPS (Sandinist People's Army), who come to Costa Rica daily by bus in three and fours dressed as civilians. They are met by compañeros at the respective bus terminals and later transported to different safehouses. We state that the international terrorists, Mario Fermininch Boca Narvaja and Hugo Spadafora, move about openly on Costa Rican territory as does Commander Eden Pastora, the coordinator of the plan, who does so more surreptitiously.

The Christian Army for the Liberation of Nicaragua considers it a moral obligation to alert the citizens of Costa Rica and the nations of the whole world to this new expansionist intent of international communism which has as its objective the conversion of the Central American isthmus into an immense battlefield.

9015  
CSO: 3010/1740

**PRINCIPLES OF REVOLUTIONARY FOREIGN POLICY DISCUSSED**

Managua EL NUEVO DIARIO in Spanish 19 Aug 81 p 2

[Article by Gilberto Ortega]

[Text] The bourgeoisie try to foster credence in the possibility of a policy that is "above the classes," without a solid social context, and we know that in the capitalist countries it is the bourgeoisie with their selfish interests as a class which determines policy contrary to the aspirations of the workers. Looking at our history, Nicaragua was a nation where the Yankee marines could depose and impose presidents. Part of our territory was sold in perpetuity, we lacked control over customs, banks, and transportation. The budget was arranged by private bourgeoisie in New York and by the State Department. In short, a real backyard of Yankee imperialism.

To top it off, we had a capitulationist dominant class that is now visible in the traitorous and counterrevolutionary bourgeois sectors.

And so it was that Sandino came on the scene, during that unpleasant and depressing political situation, synthesizing the best patriotic traditions, for he revived the pride, dignity, and the national honor of Nicaraguans.

On 19 July 1979, that national historic process, for which Sandino, Carlos Fonseca, and all our martyrs and heroes fought, assumed power.

The task of our foreign policy is to avoid the isolation which imperialism, is trying to bring about through various methods, and to prevent the undermining of international solidarity.

We reject any conditions. Thus the imperialists have responded by canceling loans, promoting warlike policies in Central America, permitting the training of Somozists and mercenaries on U.S. territory, and cutting off the delivery of wheat. But our revolution has responded calmly, without being provocative, but at the same time without showing signs of weakness.

In this way we have obtained the respect of other nations, and at present we have good relations with all the countries that respect our independence and sovereignty. And this has created the internationalism and solidarity that has rallied many countries together behind us.

Examples:

--The Libyan loan, without conditions.

--The donation of wheat from the USSR, East Germany, Canada, Belgium, and the militant support of Mexico, Venezuela, France, and the Socialist International.

This is to mention only the latest demonstrations of friendship for our nation. Our revolution will always be at the side of the nations that struggle for equality, respect for life, and the self-determination of peoples.

In the nonaligned movement we support the struggle against colonialism, neo-colonialism, racism, zionism, apartheid, and, in short, we are against all kinds of oppressor.

Our relations have been broadened because Nicaragua is now sovereign and develops its own foreign policy. Thus a series of agreements for technical and financial assistance have been signed that redound to the benefit of our people in this stage of national reconstruction. We advocate the peaceful solution of international conflicts and condemn all kinds of intervention.

In other words, all our efforts are directed to the struggle for Peace because we are free and will never be slaves again. In the face of the warlike policies of the imperialists our embassies have become veritable trenches in defense of our popular Sandinist revolution.

9015

CSO: 3010/1749

## OBSERVATIONS ON NATIONALITY LAW

Managua EL NUEVO DIARIO in Spanish 25, 26, 27, 29 Jul 81

[Four-part serial by Augusto Cesar Zamora: "The Exercise of Sovereignty"]

[25 Jul 81 p 2]

[Text] The State Determines Ways of Access to Its Nationality

Each state, we have said, will specify who are its nationals because of origin. Duncker defines nationality of origin or natural as "that nationality assigned by law to an individual at the moment of birth" (Duncker, "Private International Law," in Guzman y Millan). "At the moment of birth," which may not be the nationality for the place where the birth takes place. The child of a Nicaraguan father is a Nicaraguan by origin, whether he is born in Sweden or Australia.

The formulas to which the state may have recourse are many. We can simplify the problem by stating that some states have adhered to the principle of blood (ius sanguinis) and others to the principle of place of birth (ius soli). Reality shows us, nevertheless, that there are no pure systems. (Sorensen and others). At this point, we can only talk about systems granting greater predominance to one or the other principle, picking up parts of the other to a greater or smaller extent.

Thus, countries traditionally of emigrants--like Italy, Spain and here Nicaragua would have to be included only in connection with emigration--have given greater preponderance to the ius sanguinis. On the other hand, countries receiving those emigrations--Argentina, United States--are inclined toward giving greater preference to the ius soli.

In Nicaragua, our traditional systems have maintained a diffuse set of rules, obscure at times and generally not very technical when it comes down to taking up the problem. If we refer to our codes and laws on the subject, it is possible only to imagine a melting pot of codes and laws coming from the greatest variety of sources, in order to extract, like a druid from his pot, a "Nicaraguan" system.

In the new Nicaragua, there is no doubt, the improvisation and lack of scientific criteria of the previous regimes must be abandoned, and a nationality law must be established from several points of view. The first, by making an analysis of the national situation in the economic, political, social and cultural fields, and with broad vision, by thinking not only about Nicaraguans residing in Nicaragua,

but also about the century-old migratory phenomenon of our people, aggravated by foreign interventions and by the exploitation of the Somoza system. The case of Somoza-regime criminals and delinquents and their accomplices who left Nicaragua and are fugitives from justice, who abandoned the country not out of hunger--because they stole much--but rather precisely in order to evade that justice, is a separate case. All in all, the Nationality Law will not fail to take them into account.

In this context, the first provision of the Nationality Law must be based on the *ius sanguinis*, specifying that "children of a Nicaraguan father or mother" are Nicaraguan. A very broad formula that, in addition to covering all those born on the nation's territory, would also protect the nationality of the children of Nicaraguan emigrants, including the children of followers of Somoza--the penalty does not go beyond the person of the criminal--favoring the return of many Nicaraguans born in emigration or in exile, not only to come to die on their native soil, but also to participate as full-fledged Nicaraguans in the Constitution of Revolutionary Nicaragua.

Next the case of those born in Nicaragua of foreign parents would be taken up. The bill by the Council of State simply states that "persons born on the nation's territory of foreign parents" are Nicaraguan by origin. This is essentially a territorial-oriented rule, basically *ius soli*, in which the criterion of actual national tie is ignored. This radical way of applying the *ius soli* has been criticized by doctrines and writers, even in countries like Mexico (article 30A I and II of its Political Constitution) that maintain a similarly radical formula (Perez-nieto).

*Ius soli*, with great reminiscences of feudal times--the territory lays claim to those born on it--was adopted by the Latin American countries as a means of ensuring that the large masses of emigrants arriving at their respective countries would not perpetuate foreign lineages on the country's soil. *Ius soli*, feudal in Europe, became, in Latin America, a "guarantee of territorial independence and the very source of freedom" (La Pradelle, in Maja). Undoubtedly, this criterion was valid in the nineteenth century and up to middle of the present century, when the cycle of large-scale emigrations was closed.

At present, because those circumstances have changed almost radically and in view of the fact that Nicaragua never has been a country of large-scale immigration, but rather a "land for passing through" in which some foreigner or other is writing his books on the flora, the fauna or the customs (Squier, Gage, Oviedo himself) of Nicaragua, it does not make much sense to adopt so broad a formula. It is applicable to Argentina, with its 3 or 4 million emigrants or Venezuela or Mexico, but not to Nicaragua.

Moreover, as I pointed out above, European and Latin American doctrines, writers and legislatures are revising this formula, because it has been abandoned already by a large number of countries, owing to the numerous conflicts of nationality to which it gave rise. It is agreed that the mere fact of birth is not sufficient grounds for granting nationality of origin.

Countries having requirements other than birth for granting nationality are, for example, Spain (article 17 Civil Code), Costa Rica (article 13.3 of the Constitution),

France (article 44 of the Nationality Code), Dominican Republic (Article 22.2 of the Constitution), Chile (article 5 of the 1925 Constitution), and so on.

The principal interest of the state lies in having these human groups truly aspire to becoming assimilated in the state's population, to being incorporated in its population nucleus. Obviously, the declaration of the interested party matters, but it must never be the sole factor to be considered by the legislator. In order to lessen the effect of insecurity, recourse is usually had to various mechanisms by means of which the intention of the foreigner to become incorporated is expressed more clearly: domicile, the habitual residence or place in which the person is socially incorporated (Winter); the living center (Van Hoofstraten), or a social domicile as real, practical concretion, as Aguilar Navarro puts it.

In our opinion and following those writers, doctrines and legislation, in their endeavor to lessen nationality conflicts, the following would be Nicaraguans by origin: "persons born within the national territory of foreign parents, if the parents are domiciled in Nicaragua at the time of the birth."

Therefore, the domicile would be the connection, the link, the sure bond that would express the foreigner's intention, desire to be incorporated in the central nucleus of the state's population. This, together with the fact of birth, entitles a person born in Nicaragua of foreign parents to have nationality of origin. In addition, there is no doubt that the state cannot impose its nationality on foreigners residing on its territory for a short time (in Oppenheim).

The other provisions of the law would pertain to cases of infants born or found in Nicaragua of unknown parents. The law would specify a legal waiting period in favor of the infants until their real relationship is determined, at a given time, and with it the appropriate effects. These provisions do not merit further comment, because international agreements and treaties and our own laws specify that every person has a right to a nationality. In this case, because the relationship of the children is unknown and, therefore, what their nationality may be, Nicaraguan nationality covers them ipso iure.

The case of children of stateless persons deserves special attention. They would not be subject to the requirement of residence or domicile of their parents, both out of respect for the recommendations of the United Nations, requesting states to facilitate acquisition of a nationality to stateless persons, and for the fact that, because the father lacks a nationality, no conflict of nationalities can come up.

Moreover, the children of diplomats and of foreigners in the service of their governments are excluded from these considerations, because that is what is imposed by the rules of international law. As the first article of the 1930 Convention of The Hague specifies on certain matters pertaining to conflicts in nationality laws, each state decides who its nationals are "insofar as they are compatible with conventions, international customs and principles of law general sanctioned in matters of nationality.

[26 Jul 81 p 2]

[Text] We already know who make up the basic nucleus of the state's population, that is to say, who its nationals by origin are. Now then, the population of

states is not static, because there is mobility of human groups between states. This social phenomenon obliges states to establish or to assimilate certain forms, so that part of these groups may be incorporated in its body of population. These forms are the ones known as "naturalization." Acquired nationality--also called juridical or elective--that Albonico defines as that nationality acquired by persons during their lifetime in replacement of their nationality of origin or previous nationality. An individual exercises his right to change his nationality.

In general, the state offers two ways for access to nationality, a regular, or ordinary, way and another one that, with some writers, we shall call privileged, divided in turn in two kinds. Since the change of nationality can take place for various reasons (transfer of territories, imposition of a state), we shall limit ourselves to treating individual nationalization, the act by which a person requests a new nationality voluntarily.

Let us look at the regular way of obtaining nationalization. This is the case of foreigners without any previous tie to the estate. These human groups arrive in two ways: emigration and exile. Exile has become an endemic disease in many regions of the world. Just as so many thousands of Nicaraguans were expelled from their native land by a system of exploitation and repression, other thousands of human beings daily leave their countries in search of better opportunities (Neruda, with reference to the first colonizers of America, the Spaniards, calls them "children of Castilian abandonment"). There was a process of immigration to Nicaragua at the end of the nineteenth century and beginning of the twentieth century, cut off by civil wars, interventions and the greed of the Somoza regime. The great European wars and capitalist overexploitation forced millions of Europeans to move to America, the promised land for them. Likewise, the imperialist wars in the Third World and the same phenomenon of poverty imposed on Asiatics and Africans a series of emigration to Europe and the American continent.

At this point, a clarification should be made. Regardless of how profoundly humane the problem of displaced persons (emigrants, exiles, refugees) is, whose magnitude is shown by the fact that the United Nations has programs and offices for aiding in solving this drama, which belongs to all mankind, there is no intention of advocating an indiscriminate policy of open frontiers. That kind of proposal would be not only unrealistic but also irresponsible up to a certain point.

Each country has its own special problems and the assistance that it provides to these human groups must be in proportion to its capability of assimilating them. An evaluation of the economic situation, unemployment rates, study of needs (we need physicians, architects, geologists, for example) enters into this field and, based on the results of that evaluation, of that analysis, a selective immigration policy must be established directed toward favoring the country's most depressed sectors and not those sectors that are already saturated, because that kind of immigration would only lead to increasing the number of unemployed and to potential conflicts in the state's body of population.

For these reasons, most of the legislatures establish mechanisms of "sifting" or of "selection" in an attempt to give priority to a certain kind of immigrants. These mechanisms prevent, among other things, the introduction of doubtful elements, opportunists, delinquents and so on into the state's population body, made possible by a misdirected immigration policy, because of the principle of

"troubled waters, fishermen's gain." The point of view of the Revolutionary State, entirely humane, does not adopt wrong considerations that distract its good judgment and turn our nationality into a devalued nationality.

Moreover, selective immigration is the constant practice of states--France, the United States, Mexico, to mention a few--and Nicaragua will not be the exception.

The residence time required of a foreigner would become the first criterion of selection that we can regard as the most usual and widespread one. Each country obliges a foreigner to reside in it for a certain period of time, in order to have the right to request nationality. That period varies, sometimes considerably, from one country to another. Nevertheless, the average is close to 10 years for the nationalization that we have called regular. Ten years are a prudent time for the state to judge if the foreigner has acquired sufficient merits for deserving nationality, on the one hand. On the other hand, it will be deduced, from a sum of objective facts, if the foreigner actually has established his center of interests, his living center, in the country.

Moreover, the regular way is not in opposition to the other, the privileged way, because it is susceptible to many combinations. Let us go on to examine this second way.

Privileged ways are the ways structured by the state to favor various interests: marriage, adoption, mere birth in the territory, blood ties, in the cases covered by the right of option, or else reasons of social or economic interest or of recognition of the foreigner's work in behalf of the nation.

In the cases covered by what is known as right of option, we see that the privilege is based, by broad interpretation, on the two great principles of *ius soli* and *ius sanguinis*. The bill states that Nicaraguan nationality may be chosen, once age majority is reached, by those who are born in Nicaragua of foreign parents, those who are born abroad of a father or mother who were originally Nicaraguan, and foreigners married to Nicaraguans, after residing in Nicaragua for 1 year, as well as persons born on board Nicaraguan aircraft and ships. We shall devote special attention to these two last-mentioned classes.

It is a question, then, of persons with a tie, although weak, with the state but a tie that concerns and must be taken into account. In the first case, we are talking about the child of a transient foreigner who does not acquire our nationality *ipso iure*. That tie, just as in the other assumptions, can be strengthened or weakened. In this last-mentioned assumption, the legal rule does not operate. In any case, assuming strengthening of the tie, the child of a transient foreigner has that course for being incorporated in the Nicaraguan community.

This reasoning is applicable to the child of a father or mother who, although they were Nicaraguan, have renounced our nationality. This is no obstacle to a strengthening of their children's ties with Nicaragua.

With regard to persons born on Nicaraguan flag aircraft and ships, it is planned, in the bill, to include them in the chapter on nationals by origin. This has been rejected, almost overwhelmingly, by writers, doctrine and legislation, because it gives rise to more anomalies than to the benefits it grants.

In a world in which communications have developed as never before, an age in which a universal disposition has made itself better evident, man's supranational spirit, and in which flags of convenience are multiplying (Seara Vasquez, 1958 Geneva Conference, Reuter), it is only appropriate to recognize a right of option to the nationality of that ship or aircraft to those born on them.

When passenger transportation was mostly by sea, on long, calm voyages, births were common during the voyage. This lent sense to the provision. Because at present transportation is mostly by air, the basis of a sufficient custom for resolving it is lacking. Some writers speak of a congress to deal with this problem. We might simplify them by referring the issue of the nationality of a person born on aircraft to what is stated by the law of the parents' domicile (Visscher, Mapelli), or, which would be more logical, to be governed by the rational system of *ius sanguinis* (Miaja). Cases to which this provision might give rise would be like an anthology: a child born of an Italian and a Nicaraguan on a Mexican aircraft parked at a United States airport would be Italian because of his father, Nicaraguan because of his mother, Mexican because of the aircraft and a United States citizen because he was born in an airport of that country.

Moreover, ships and aircraft are mere objects of a legal relationship, lacking personality in which the capacity of national or foreigner cannot be a source or assumption for the acquisition of legal rights and obligations. Therefore, the craft is incapable of possessing a nationality status and of being subject to a legal relationship with the state, that is to say of having a nationality (Miaja de la Muela). And as Pereznieta points out, excessive use of the concept of nationality is based on the interest that state has in the object, not on any other kind of considerations.

In summary, the fiction of regarding this kind of craft as "national territory" is improper and it is still more improper to regard, at present, a child born on them of foreign parents as nationals of Nicaragua by origin.

Because of a question of legal technicality and in order not to leave any gaps, these persons should only be granted a right of option, a right that some writers even deny or that they restrict to times when a ship--and only a ship--is outside the jurisdiction of another state, both on the high seas or in territorial waters of the state whose flag the ship flies (Accioly, Guszman). If we recall the notion of actual tie, these statements will prove to be more clear.

We shall examine separately option because of marriage.

[27 Jul 81 p 2]

[Text] We are now going to enter upon a consideration of the other privileged way of acquiring nationality based on social or economic reasons or on recognition of a foreigner's work. We point out that almost every legislation takes this course into account. In many, they are in agreement. In others, more or less special formulas are adopted.

The bill takes two assumptions into account: foreigners with outstanding services to the nation and foreigners with extraordinary merits in behalf of the nation's community. Let us examine the first assumption--"outstanding services"--by means

of comparative law. Mexico--for example--favors foreigners who establish an industry, enterprise of socially useful business and with considerable social benefit on national territory; settlers in accordance with laws on settlement by relationship, and so on (article 21 of the Nationality and Nationalization Law). If a similar provision had been set up here, we would possibly be accused of favoring disloyal competition or of turning the country's economy over to foreigners. The reality goes beyond imagination, according to Cortazar. In Ecuador, the 1978 Constitution grants nationality to a foreigner "who has obtained Ecuadorean nationality for having performed important services for the country" (article 7.1). Costa Rica: the Legislative Assembly has the power of granting "honorary nationality" (article 14.6 of the Constitution). In Bolivia, the 2 February 1967 Constitution takes several assumptions into account: foreigners with a Bolivian spouse or Bolivian children, foreigners engaging normally in industrial agricultural work, foreigners performing educational, scientific or technical functions, foreigners performing military service for the time being and, finally, foreigners who obtain nationality from the Senate because of their services (article 47, paragraphs 2, 3 and 4).

The Spanish Code selects a broader formula, specifying that "5 years residence will suffice when the petitioner has performed outstanding services, by means of any activity or work that has been of considerable benefit to Spanish interests" (article 20, paragraph II). The Spanish Code reserves to the chief of state the power to grant naturalization status when "exceptional circumstances" apply to the petitioner in the opinion of the chief of state (article 20).

French and United States laws are also generous in this connections, especially with regard to prominent individuals. United States nationality was graciously granted to Kelsen and Einstein.

It is obvious that Nicaragua cannot aspire to that much--among other things, because the imperialist domination bequeathed us only debts and underdevelopment--but we do need skilled personnel: physicians to help reduce our very high mortality rate, engineers, intellectuals, geologists, but not attorneys; we are exporting them now.

Therefore, the state is obliged to promote the immigration of skilled personnel and to favor incorporation of this kind of foreigners into the state's population. Mexico and Argentina were generous with European exiles and emigrants and the effects have left their mark on those countries. There are cases of collective nationalization, like the ones that took place by law in Chile, in the last century.

It should be realized that, although the formula selected in the law is broad, adequate mechanisms will be established by means of regulations in the law for being able to select what foreigners will be the ones benefited. Thinking the contrary amounts to casting doubt on the very nature of the Revolution.

Nicaragua's present situation makes it necessary to promote selective emigration and to adopt those privilege:courses, for the sake of overcoming our deficiencies in human resources, resulting from those governments that closed schools, in order to pay the invading army or that invested the people's money in their ostentation, at the expense of reducing to the minimum investments in education infrastructure.

If the revolutionary state should neglect this aspect, it would be performing a bad service to our people.

The last of the privileged courses follows the channel of the Government Junta, which, by virtue of its prerogatives, as supreme authority of the nation that it represents, can grant nationality of origin to foreigners with extraordinary merits to the benefit of the nation.

Of all the courses, this is one least used, owing to its nature. As some writer has pointed out, this course "amounts to the greatest distinction that can be awarded to a foreigner by a state desiring to express its gratitude to him." Likewise, another writer believes that "it is no less true that it is also a great honor to the nation granting it to incorporate as one of its members a worthy, meritorious person who has his own nationality."

The other ways of acquiring nationality are the ones determined by relationship. Thus, in application of the principle of favoring family union, by extending to those children who are under parental authority the nationality of the parent exercising it. An exception is taken into account for cases of adoption of foreign children by Nicaraguans. In view of the fact that adoption does not imply, for many legislations (for example, French legislation), the fact that the adopted child acquires the nationality of the person adopting him, a foreign child will only acquire the nationality of the person adopting when, by virtue of his national law, the foreign child retains his nationality of origin, in spite of adoption. In the contrary case, when the adopted child loses his nationality of origin, he will be covered ipso iure by Nicaraguan nationality.

[29 Jul 81 p 2]

#### [Text] The State Determines How Nationality Is Lost and Recovered

A human being, man, can maintain, break and recover his tie with a state. Multilateral pacts, conventions and treaties and the state itself recognize the right of an individual to change his nationality, because this essentially affects human freedom. This right is part of the sphere of very personal rights, that is to say, those rights that can only be exercised by the person himself. Thus, the bill specifies that "voluntary acquisition of another nationality is cause for loss of Nicaraguan nationality, except as prescribed in agreements on dual nationality," (renunciation).

The article, which recognizes the right to change nationality, imposes a limitation and contains an exception. The limitation is elementary in nature: pure and simple renunciation of our nationality does not suffice, if it is not accompanied by acquisition of another. The objective of the limitation is to prevent a Nicaraguan from being left stateless. The exception takes the opposite assumption into account: the concurrence of another nationality not compatible with Nicaraguan nationality, but we shall develop that below.

As we have seen above, the national tie implies duties and rights for the individual and for the state. Legislatures establish certain rules of behavior that their nationals must respect and observe and that are a fundamental expression of the national tie. When these rules are broken or violated voluntarily by an individual, the state is empowered to punish the violator. One of these punishments is deprivation of nationality, which, like everything that has presented above, has a history and application in a large number of laws in the world.

Before proceeding, it is advisable to update some notions. Being a national of a country, belonging to its central population nucleus--one of the pillars on which the state is based--is something more than having a passport or traveling abroad. A national tie involves duties and obligations. When a national transgresses against those obligations, the state acts and defends itself, defending the whole social body, the nation, the country. Those rights and obligations should be discussed here, but, because the topic is more appropriate to political or constitutional law, we shall restrict ourselves to our field.

In order to understand these prerogatives better, international law recognizes the right of states to deprive their nationals of nationality (Sorensen), basing themselves on various causes that each country establishes taking its own circumstances into account. International instruments, like the 1930 Protocol of The Hague on Statelessness, the Universal Declaration of Human Rights (article 15.2) or the United Nations Conference for eliminating or reducing statelessness, only prohibit or refer to the arbitrary deprivation of nationality, without affecting the state's right in the matter. What these instruments establish is a prohibition of abuse of right (Verdross).

Concretely, states recognize different reasons for depriving members of their community of nationality. The reasons are often influenced by the circumstances being experienced by the state. Thus, for example, by reason of the world wars, Russia, Italy, Germany, France decreed the denationalization of a large number of their citizens owing to disaffection, uninterrupted residence abroad, and so on (Oppenheim). That is to say, for not having gone to defend their nation when it required the effort of all its nationals.

The 1952 United States Law on Immigration and Nationality stipulates that United States citizens can lose their nationality by serving and accepting employment in the armed forces of foreign powers, by voting in political elections of a foreign country, by deserting from the armed forces in wartime, by committing acts of treason against the nation, by remaining outside its jurisdiction in wartime or national emergency or by holding any post in a foreign government (Section 349-a).

In its article 17, the Constitution of Ecuador lists the causes for which Ecuadorean nationality is lost. We are extracting two of them from it: for treason against the nation, declared legally, and "in other assumptions declared by law," a broad formula, because constitutionally the possible is left open both of restricting and of expanding the assumptions for depriving Ecuadorean nationals of their nationality.

In Italy, Italians are deprived of their nationality if, without prior authorization by the state, they enter the military or civil service of a foreign government (in Camargo).

Finally, the Spanish Code (article 23) specifies the assumptions for deprivation of Spanish nationality: "Those who enter the armed service or exercise a public office in a foreign state against the express prohibition of the chief of state," as well as "those who are condemned by firm sentence to loss of their Spanish nationality, in accordance with what is specified in criminal laws."

The bill on nationality, at present in Council of State, stipulates the following as causes for deprivation of nationality: individual condemned by firm sentence for treason against the nation and Nicaraguans serving the armed forces of a foreign country in violation of express prohibition by the Nicaraguan Government. Likewise, Nicaraguans who refuse to come to defend the nation in case of outside aggression can be deprived of their nationality.

The first assumption--treason against the nation--is covered in the present Penal Code, inherited from the dictatorship (article 528 and following), with provisions of military nature that omit other criminal behaviors amounting to real treason, in view of the fact that "treason is an attack against the vital interests of a nation, committed by its own naturals, regardless of whether by birth or by naturalization" (De Pina), vital interests that exist and must be protected in peacetime or wartime.

With regard to the prohibition against performing armed service in a foreign country, in violation of express prohibition by our government, the interpretation given to this rule by a certain political party is extremely curious, stating that this provision leaves the possibility open for Nicaraguans to go out to fight in other countries, paying more attention to the fact that countries like the United States and Spain have similar provisions. This is an unscientific and slanted interpretation, because, in the first place, the interests desired to be protected are forgotten. The state has jurisdiction over its inhabitants. At the same time, "the individual is under the personal jurisdiction of the state of which he is a national and he owes loyalty to that state regardless of where he may be (Sorensen). Thus, the state can, in view of various interests, prohibit its nationals from performing armed service for one of several powers. Thus, the 1925 Chilean Constitution forbids the performance of services of any kind to enemies of Chile or their allies. "Military service," Accioly states, "more than any other service, requires subordination and loyalty to the authority of the government on which it depends. Because that is so, it is natural for voluntary acceptance of that service, without permission from the government of the country of origin, to cause a loss of nationality."

Nevertheless, the provision in the bill leaves Nicaraguans free to enlist in any army, that is to say, that the interpretation made by a certain political party is exactly contrary to what the rule specifies, because, if that express prohibition by the government does not occur, there is no obstacle preventing Nicaraguans from going to Bhutan, Lesotho or Papuasia as soldiers in any foreign legion.

There remains the provision pertaining to Nicaraguans who refuse to come to defend the nation in case of outside aggression. Some have asked "ingenuously" And what if we are not militiamen? With that kind of limited question they demonstrate very little legal knowledge. From so limited a point of view, the conclusion would also be reached that old men, children and handicapped persons, who cannot be militiamen for elementary reasons either, would be deprived of their nationality.

From another point of view, restricting the concept of defense of the nation to the single notion of military defense, which is one of the acceptances of the term--see the "Diccionario de la Lengua"--seems to be rather a question of near-sightedness. Defense of Nicaragua against outside aggression implies mobilization of all its inhabitants capable of performing the large number of measures that

would be adopted. In the face of an aggression, the state mobilizes not only its armed forces, but also its diplomacy, its food and medical resources, its basic services--water and light--domestic law and order, and so on and within that mobilization each Nicaraguan must occupy his post, either in hospitals, food distribution centers, communications centers. Refusal to do this involves incurring disloyalty to the nation and disobedience of the state. This is punished in every legislation in the world. By way of proof, see the Constitution of Argentina (article 30), the 1969 Brazilian Constitution (article 18), the 1978 Spanish Constitution (article 30), the 1977 Mexican Constitution (article 22), the 1967 Paraguayan Constitution (article 125), and so on.

With regard to what is understood by foreign aggression, I believe that the "Diccionario de la Lengua" is sufficient for clarifying it. If we add the adjective to the feminine noun, we obtain the exact notion of what the provision means to express. This is what is known in law as a grammatical interpretation factor--the first one to which recourse must be had--mentioned in article XVI of the preliminary title of the Civil Code ("in applying the law no other meaning can be attributed to it than the meaning resulting explicitly from the words used").

Explanation remains to be made of the fact that loss of nationality owing to renunciation, incompatibility or punishment would not go beyond the person affected. Its effect would be strictly individual, especially in cases of loss as a punishment (Accioly, 1933 Montevideo Agreement).

#### Recovery of Nationality

Here, a distinction must be made between three assumptions: renunciation, deprivation and case of naturalized citizens. In the first assumption--voluntary renunciation--a Nicaraguan by origin recovers his nationality by means of a simple declaration before competent authority. Decision by the Government Junta would be required for those who have been deprived of their nationality for having incurred in the cases specified in the law.

Naturalized citizens can only recover it by decision of competent authority (revocation). It is not possible to be more specific, because naturalization papers can be withdrawn from naturalized citizens for a large number of reasons (treason, common crimes, assimilation defect, and so on), whose determination will be the subject of regulations.

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## COLUMNIST DISCUSSES RULES OF REVOLUTIONARY GAME

Managua EL NUEVO DIARIO in Spanish 25 Jul 81 p 2

[Article by Felix Navarrete: "The Rules of the Game"]

[Text] Every Nicaraguan has heard them. Some have not been able to understand them. And others believe, ingenuously, that actually our Revolution is a game. I am referring, of course, to the rules postulated by the Revolution to continue building the framework of our process. And Commander Ortega said them clearly, so that no one might be mistaken, so that no one might have doubts on their functioning and on their social significance. He said them clearly. Why, then, is there "panic" among the ranks of those who do not understand the rules of this game? That matter of game is nothing but pure rhetoric. That matter of rules refers to the political-economic system within which our people's entire activity has to flow. That is the way it is.

But who are benefited by these rules? The answer is clear: the majorities, our working people, our city workers, our rural workers, all those who, as a result of a dictatorial, arbitrary regime, were the dispossessed, the breadless, the roofless, those who never had enough with which to cover their precarious nakedness. They benefit all those who solely felt in their blood the pride of being Nicaraguans. They are benefited by them. And I have heard it said around here, on the street, that this measure, these rules postulated by our Revolution are unjust. "It is not possible for this to happen, because all those confiscated enterprises were acquired with the sweat of the brow of their owners." I have that said on the street. And it is logical for many persons to express themselves in that way. It is to be expected. But the truth is that those who express themselves like that are conditioned to playing another kind of game, with other rules framed in another kind of justice. Not in revolutionary justice. They are accustomed, conditioned, to expect benefits from a justice that was prepared for meeting their interests. And the sad thing is that those who express themselves in that way are precisely the ones who, in one way or another, have undergone exploitation, have experienced poverty, have suffered hunger, have lived with illnesses and have wept over their misfortune and poverty deep in a hovel. Why, then, do they say that the rules are unjust? Why do they feel obliged to defend the "boss"? Do they not realize that one more cordoba that the employer keeps in his vaults is a part, directly or indirectly of the sweat of the working people? Are they not aware that the decapitalization maneuvers by some unpatriotic, dishonest businessmen enemies of the Revolution go against the interests of all Nicaraguans, of our heroic people of Nicaragua? Are they not aware?

These rules are conditioned by revolutionary justice. They are not arbitrary measures. No. These rules are the product of thorough analyses, of many questionings and of long periods of meditation. The rules of the game are the answer given by the Revolution to the demands of our working people. It is not a game. It is, logically, the adequate answer to our social and economic situation. It is a historical answer that, far from being utopian, is part of the social structure in which our revolutionary process is taking place. The Revolution is not a game. The statements by Commander Ortega served to illustrate the matter, so that it might be understood better, so that all of us might be clear with regard to the legal, revolutionary intention of the measures being taken. No one is dispossessing anyone. It is solely a question of recovering for our people what has logically belonged to them rightly and historically. These, then, are and these will be the rules of the game.

Managua, July 1981.

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COUNTRY SECTION

NICARAGUA

BAYARDO ARCE: 'THE PEOPLE ARE TIRED OF BEING GENEROUS'

Managua EL NUEVO DIARIO in Spanish 9 Aug 81 NUEVO AMANECER Cultural Suppl.  
ppl, 12

[Interview with Commander Bayardo Arce Castano, by Irene Selser; date and place not specified]

[Question] Commander Bayardo Arce, the Sandinist revolution is celebrating its first 2 years of existence at a very special time for Central America and for the continent as a whole. How do you evaluate what has been accomplished to date?

[Answer] In 2 years of revolution, I believe that the greatest achievement is learning. We have learned many things, because revolutions are merely changes and changing is not an exclusively evolutive phenomenon. It is not a question of wanting to do it, but rather of actually being capable of doing it. These 2 years have served us to learn, first of all, that it is very difficult for us to have realistic relations with imperialism. We always base ourselves on the belief that the revolutionary nature of our process established an almost natural conflict with U.S. imperialist. Nevertheless, in trying to be realistic, we wanted to try out a new political relationship with the United States, not for us exclusively, but also in an attempt to open up the possibility of a new kind of relationship of Latin America and the Third World with the United States. Because, after all, the United States is a reality that is there and that is going to be there for a long time. It was worth while to make an effort to try to lay the groundwork for a new kind of relationship based on mutual respect. We made efforts in this connection to draw away from the past, the history of aggressions, of interventions that had occurred in Nicaragua in which the United States played a decisive role. Nevertheless, there is too much accumulation of arrogance, of imperial philosophy in the United States to understand that a small country must be treated as an equal. But the attitude of the United States has been to freeze financial assistance which was precisely the essence of that new kind of relationship.

[Question] Would this mean that you will stop trying to maintain relations of respect with the U.S. Government?

[Answer] Not exactly, but some formal variants are imposed necessarily. There is a definitely aggressive policy in the new American administration, which has been taking shape even since before Ronald Reagan became president of the United States. We realize that his administration represents only 26 percent of the voters. In the United States, there are very many people who are friendly toward the Nicaraguan revolution and there are many others who perhaps are not friendly

toward our revolution, but who do not agree with Reagan's interventionist policy. In that connection, we cannot abandon the possibility that the United States will actually have a new policy with regard to our country and to the people of Latin America, because it may happen that the aggressive attitude of his administration may be neutralized through certain representatives in Congress, through the church, university people, the press, and so on. That is why we do not give up the possibility, but, at the same time, we must not think solely in terms of that possibility, but rather we must be prepared in every field to cope with that kind of imperialist aggression.

[Question] To what extent are you preparing?

[Answer] First of all, by expanding our sphere of international relations and, secondly, by strengthening some old or new friendships that will enable us to have the economic and technological assistance required by our country, after having been plundered in the past and after having gone through a war. We are preparing ourselves militarily, politically and ideologically to be able to cope with an aggression that may be sponsored by the Reagan Administration, either through counter-revolutionary Somoza groups in the United States or in other countries in the area, or through hostile governments or, even, directly. That matter of being prepared does not mean taking care only of our domestic front, but also alerting the international community through a more definite, frank denunciation activity.

[Question] Some days ago, Spanish Socialist leader Felipe Gonzalez assured in Nicaragua that, in case of aggression against your country by the United States, the Socialist International would oppose its entire moral and political force. What is the far-reaching importance of that statement and to what extent can the solidarity of social democracy be effective against American intervention?

[Answer] We value the desire of the Socialist International not to yield in the face of the threats, pressure and blackmail used by the United States to divide the international community. We believe that, at this time, the Reagan Administration is trying to impose the "law of the jungle" policy among peoples and governments and the best way to oppose that policy is with a consistent attitude of solidarity. In that connection, we appreciate enormously the desire of all those who are not inclined to let themselves be manipulated by the United States. But in the terms of effectiveness in that kind of attitude, I believe that they are relative, because they depend considerably on the correlation of international forces, because, obviously, the declarations of the Socialist International have an important value that is added to a series of facts that are telling the United States that we are not alone. The United States took away our wheat, for example, and then Sweden, Canada, the GDR and the Soviet Union responded. The United States cut off financing and Libya, Holland and others responded.

#### Plans of the Counterrevolution

[Question] What are the plans of the counterrevolution in Nicaragua?

[Answer] The counterrevolutionary conception that the United States has outlined with regard to our process and with which we are familiar, is based on two facts. On the one hand, a policy of economic destabilization that will create for us a series of domestic difficulties and that is leading us to such complexities that it will

find expression in the people's dissatisfaction, with a favorable atmosphere for the people to become counterrevolutionary, joining a campaign of international isolation through lies, distortion, discredit. Along with this, coordination of certain forces with sectors opposed to the revolution that are within the country and with Somoza sectors removed from power and now outside the country. We believe that they have progressed considerably in their drive to discredit and in the destabilization aims, taking advantage of the weak situation of our production infrastructure. In order to be able to reconstruct Nicaragua, we vitally need outside oxygen. The assistance that we have received is very valuable, but it has not been sufficient to cope with the economic and social destruction of our country.

Besides, our economic structure is so weak that it needs available resources on time. In that connection, the fact that the United States has made a commitment to provide us with certain assistance for an X-period of time and that it suspended it suddenly damages us, because, although we may obtain some replacement of the aid at this time, it no longer reaches us in the time required. Logically, this has had an effect on economic destabilization, because there are programs in which we are running behind schedule, programs that we have had to abandon or that we have not even been able to start.

[Question] When the Sandinist revolution triumphed, there was a slogan accepted practically by all the people: "Implacable in battle, generous in victory." Nevertheless, the counterrevolutionaries seemed to be taking advantage of that gesture of revolutionary altruism and they did not hesitate to organize armed bands, for example, operating from Honduras or even within Nicaraguan territory, like the Chico Carreta Band, which was dispersed a few days ago in Masaya. In this connection, do you not believe that the people are regretting having been generous in victory?

[Answer] I know that the people are beginning to regret it and it is logical and predictable for the people to feel tired at a certain time. On the day when the people tire, we also shall tire, because as leaders we are merely their expression. If we are still keeping our patience, it is because the people are remaining patient, although we are the ones who persuaded them to remain patient. But when the time comes when we can no longer persuade them, we shall have to be the definite expression of our people. Therefore, in the case of acts of provocation by certain business sectors, we have said that we intend to pursue our plan with them, without them or in spite of them.

[Question] What may modify the desire of the Sandinist Government to reconstruct the country on two assumptions that seem to be essential at this stage: mixed economy and political pluralism?

[Answer] The objective impossibility of doing it. We can do possible, realistic things. What is impossible does not depend on us. If mixed economy fails, it will be . almost sole responsibility of those businessmen who persist in continuing to get rich at the expense of the people.

[Question] Precisely, international social democracy is supporting the Sandinist process by stressing respect by the revolution for political pluralism and mixed economy, that is to say, for respect of dissidence by the Reconstruction Government. Moreover, the Socialist International has pointed out that Nicaragua's

model might be repeated in other countries on the continent. In your opinion, what would become of this support, if the possibility of implementing a mixed economy in Nicaragua should disappear?

[Answer] We did not make the revolution with the social democrats in mind, or the businessmen, but rather our own people. We bore in mind the fact that of every 1,000 children born 200 die. We thought about the 52 percent illiteracy, about the thousands of young persons without schools, about the 300,000 families without housing, about the 30 percent of the economically active population without work, about the hunger, about the poverty of our people and we shall respond to that.

We believe that in the framework of the international situation and owing to the peculiarities of our struggle it was feasible to try to fight against all that on the basis of national unity. That is what gave rise to an attempt to promote a mixed economy, because there were businessmen in the nation and not businessmen, exploited persons and exploiters. Of course it is not easy to reconcile all that and definite rules have to be established, so that those people may know that we who head the struggle and who were its backbone, its heart, its driving force and its energy, did so motivated by that economic and social situation of exploitation. But the thousands of fighters who gave their life and are still doing so did not die so that the businessmen might live better or so that they might be content. Therefore, we have said that the fact that the private sector remains does not depend basically on us but rather on the business sector itself. When we manage international solidarity and when we made the revolution, we never said "Help us to defend the businessmen," but rather to get rid of a dictatorship that is killing us. We do not underestimate anyone's aid, least of all the aid of the Socialist International and if it should, at some time, have to suspend its aid, we should regret it very much. It is not something that we are wanting, but neither is it something that can lead us to a renunciation of what led to the shedding of so much blood.

We discussed this extensively with the representatives of IS [Socialist International] in Nicaragua and the stand of both was clarified. Consequently, I do not believe that the IS will defend the right of Nicaraguan businessmen, or their interests, because then it could not support the revolution.

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## REPORT ON U.S.-PARAGUAYAN RELATIONS

PY291147 Asuncion HOY in Spanish 27 Aug 81 p 11

[Editorial: "A Promising Meeting"]

[Excerpts] The visit that Foreign Minister Alberto Nogues is paying to the United States is an event which is obviously dominating our current foreign policy scene. At this point in his trip, there can be no doubt that it has been successful and that it has thus set guidelines basic to restoring the spirit of mutual confidence, friendship, cooperation and pan-Americanism which has traditionally inspired relations between the two countries.

The meeting of Nogues and Secretary of State Alexander Haig has led to focusing attention on points which will be undeniably useful for opening a new stage in the relations between the two countries. The reports that have been published by the international press, although incomplete, allow for an optimistic view of the future, as far as relations with the United States are concerned.

Significantly, the visit is in response to an invitation of the U.S. secretary of state. This gesture, in addition to being a courtesy, emphasizes the interest that the United States has in our country and the U.S.' obvious purpose of resuming the White House's historical policy toward the southern hemisphere in general and, particularly, toward Paraguay. The Paraguayan foreign minister's trip which is more than mere protocol permits us to await confidently further development of the ties with the United States. It is clear that former reservations and misunderstandings, which had arisen during President James Earl Carter's administration and which had been evident and particularly irritating on certain occasions, have been overcome.

The reservations and misunderstandings caused by those situations are now being overcome. Fortunately, the United States abandoned for only a short time its traditional southern hemisphere policy, which had been adhered to for several decades.

The heedlessness of the pan-American idea and the concepts of alliance, confidence and cooperation, in force over several years, could have negatively affected the century-old Paraguayan-American friendship. But, fortunately, steps have been promptly taken to reflect on the recent past and to promote a rapid return to the best traditions in these matters.

It is hoped that the Nogues-Haig meeting will soon show its results and that the old spirit of brotherhood and pan-Americanism will soon be fully enforced again. Such a spirit is actually the permanent foundation of the ties between the two nations and it endures over contingencies and changing policies of those who govern.

## NOGUES TRIP TO UNITED STATES VIEWED

PY 221407 Asuncion LA TRIBUNA in Spanish 21 Aug 81 p 7

[Editorial: "An Important Mission"]

[Text] The trip of Foreign Minister Alberto Nogues to the United States with the stated purpose of meeting for talks with the secretary of state, Alexander Haig, has been officially announced.

This will be the first time that the two high-ranking officials will hold official talks and it is also the first contact between the Paraguayan Government and the new U.S. administration, at this level.

From whatever point the question is considered, there is no doubt that this is of great importance for our country and it is to be presumed that, although there are no important U.S. economic interests involved, still the Americans must watch our country's development attentively, above all due to the fact that our country has energy sources that do not exist in other parts of the world so abundantly.

But more than the indubitable importance of the mission, one must remember the fact that in the United States there is a very deep-rooted propensity to consider the inhabitants south of the Rio Grande as if they were all the same, which, of course, is very far from the truth.

By way of example, lately President Reagan has put substantial emphasis on U.S. relations with Mexico. And it is fitting that the United States should always treat their closest neighbors so. But to think that Mexican problems are representative of all Latin American problems is really very far from the truth.

And it is this fact which has not always been pointed out. Without denying that Mexico could turn out to be an important interlocutor, the point is that South America has other problems, which are frequently very different. For example: Venezuela's problems, with its huge petroleum resources, are quite distinct from those of Uruguay or Bolivia.

As far as our country is concerned, its problems cannot be evaluated in the light of general rules. In addition to its geographical location as an inland country without seashores, it has a political institutional regime quite different from

the regimes in surrounding countries. Our country has never had guerrillas, but its geopolitical position is rather important considering that it will soon possess energy sources which by their nature are unique in the world.

Therefore, these aspects which lend a particular profile to our country should be clearly noted so that nobody will harbor misconceptions about it.

From another standpoint, it should be noted that the bilateral relations between the two countries have experienced changing alternatives throughout the years. Such alternatives have caused contradictions with old norms of relations due to new outlooks stemming mainly from changes which have been implemented in U.S. foreign policy.

A point of conflict turned out to be the question of human rights raised by the Carter government with showmanship rather than effectiveness. A question raised as a banner turned out in practice to be a point of misunderstanding and friction.

The truth is that Latin American countries have characteristics which are totally alien to the mentality of the common American. This brings up the urgent need for conversations in order to define problems and point out positive solutions. Now that the Republican administration has been in power for some time, one can expect that some well-defined ideas have already been worked out as to the manner in which relations will be conducted with countries such as ours which have their own individuality.

On the other hand, our government needs to know exactly what to expect from its relations with the United States. For instance, it should be noted in this regard that economic relations with the United States have experienced a considerable decline while such relations with other industrialized countries have been on the rise.

Therefore, this mission is important from any standpoint, and it has raised justified expectations. It can be expected now that many questions will be more clearly defined over the short term.

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## 'LA TRIBUNA' FEELS NEUTRON BOMB DECISION 'REALISTIC'

PY262216 Asuncion LA TRIBUNA in Spanish 13 Aug 81 p 7

[Editorial: "Balance of Terror"]

[Excerpts] Undoubtedly President Reagan's decision to go ahead with the production of neutron bombs has caused an uproar. The Europeans are facing a difficult situation: Even though these devices will be stored in the United States, they cannot neglect the fact that these devices have been conceived for use in Europe. Therefore, they have unleashed a wave of protest.

Obviously the decision gives rise to justified concern. Should the neutron bombs be installed in Europe, like other nuclear missiles, the European countries would certainly become the target in any clash with the Soviet bloc.

But it is also true that should these military devices not be installed in Europe, the Europeans will be practically left at the mercy of the Soviets which is not a happy prospect at all. There is Poland by way of an example.

In a world disturbed by tensions it would seem that humanity's natural aggressive instincts have failed to come up with a way to neutralize themselves. In view of the prevailing unquestionable ideological opposition, despite the various euphemisms which have been invented such as the detente doctrine or peaceful coexistence, the truth is that confrontation between the blocs prevails.

This confrontation has now become global and radical. There are no middle positions. That is why Mr Reagan's decision is remarkably realistic even though it must surely have not been easy to make and is bound to have painful consequences.

However, if peace is to be maintained in the world, man knows of no other way than balance, even if it is a balance of terror, teetering on the brink of nuclear holocaust, of catastrophe.

Thus, even though from a strictly objective point of view the stockpiling of destructive devices which use nuclear energy is insane, there is no denying that the decision of the U.S. Government is remarkably realistic.

It is obvious that every state seeks to attain a predominant position among nations and the United States has been a leader for a long time. But it is also obvious that thanks to hesitation and weakness, the Soviets have made considerable headways. Therefore, painful as it may be, there does not seem to be any other option than a balance of terror.

## BRIEFS

DRAFT ELECTORAL LAW--"The way I see it, there are two viewpoints within the Colorado Party regarding the draft electoral law. I received a telephone call at 0700 this morning telling me about a meeting which was later suspended, proving that there is quite some displeasure among the Colorados themselves. In sum, they have yet to reach an agreement," liberal deputy Fulvio Hugo Celauro said yesterday afternoon at the congressional building, where he had come for a meeting of the Constitutional Affairs Committee, which was suspended at the last moment. The liberal deputy added that "the document approved by the Colorado Party Executive Board has obviously not been drawn up by the Colorado deputies who submitted the bill in congress. It seems that the document was prepared by a few pro-government senators. I say this because no sooner was the bill submitted than they started making amendments contrary to the usual proceedings. It appears that now there is some desire to make still other amendments about which the Colorados themselves are unable to agree," Celauro said. [Text] [PY021910 Asuncion LA TRIBUNA in Spanish 1 Sep 81 p 2]

HOTEL REGISTRATION CONTROL--The municipal police yesterday issued edict No 3. By that order a new norm is established for the control of persons who stay in hotels and other such establishments. The measure includes both citizens and foreigners. The edict carries the signature of the chief of the municipal police. It is stated in its first article "that the proprietors of hotels, guest houses and other such establishments will daily turn in a copy of the registry of those coming and going to the investigations department (D-8), regardless of whether they are Paraguayans or foreigners." Article two provides for "requiring of those concerned to keep a register in which will be listed the complete description of the persons: full name, date and place of birth, nationality, whether married or single, profession, date of entering that establishment, number and type of identity document presented, and the date and place of entry." This edict also says that "the investigations department will arrange for the control of the movement of transients in the affected establishments and which are within the jurisdiction of the municipal police in order to fulfill the provisions contained in this edict. Violators of the provisions of this edict will be subject to the punishments provided in the penal code." The edict went into effect yesterday. [Text] [PY241515 Asuncion HOY in Spanish 11 Aug 81 p 17]

SALVADORAN SUBVERSIVES--The French-Mexican recognition of Salvadoran subversive movements, made under the pretext of helping to achieve a political solution to the current problem, is an international action totally alien to law and it sets a truly unfortunate precedent which calls for proper explanation. The fact is that, above and beyond the fact that this recognition is a clear-cut violation of valid principles of international law which prevent any state from intervening in the domestic affairs of other nations, it is also true that it brings a new set of totally unforeseeable threats into the already serious status quo of the area. With this recognition as a precedent, any subversive movement which at some point or another could capture and control a given portion of any nation could use this to demand "belligerent" status, which implies the aid and even the direct participation of other states. It could, for example, ask the USSR for military aid and even direct offensive alliance. This gives us an idea of the true scope of this unfortunate precedent. At least for us Latin Americans, avoiding the interference of alien powers in our domestic affairs has been a fundamental and traditional issue. Thus, this declaration of recognition fills us with fear and amazement and poses the need for the strongest condemnation. [Editorial] [Text] [PY021830 Asuncion LA TRIBUNA in Spanish 2 Sep 81 p 5]

STROESSNER ILLNESS DENIED--Paraguayan Foreign Minister Alberto Nogues yesterday refuted before news media representatives in Washington the report published by the Brazilian magazine VEJA about an alleged illness of President Alfredo Stroessner and his possible trip to the United States to undergo medical treatment. A spokesman of the Paraguayan Embassy in the U.S. capital whom this newspaper contacted by telephone--in view of the absence of Ambassador Lopez Escobar who is accompanying the foreign minister during the latter's talks--confirmed that Nogues met with several journalists accredited to the State Department and that he categorically refuted the report before all of them. The foreign minister stated: "This report is groundless as is the much-ballyhooed presidential trip to the United States. In its latest issue, VEJA revealed that "Stroessner is suffering from a severe circulatory disease," and added that he would go to the United States to receive medical treatment for this illness. [Excerpt] [PY271623 Asuncion ABC COLOR in Spanish 27 Aug 81 p 12]

CSO: 3010/1786

**PIP DIRECTOR REPORTS ARREST OF SEVERAL TERRORISTS**

Lima EL COMERCIO in Spanish 4 Aug 81 p A-7

[Text] Only six suspects have been arrested for the terrorist attacks which took place here during the Independence Day festivities. However, 16 persons arrested in Andahuaylas Province and brought to Lima have been charged by the PIP [Peruvian Investigative Police] with the terrorist acts which took place in Apurimac Department.

This was announced yesterday by the director general of the Peruvian Investigative Police, Lt Gen Eduardo Ipinze Rebatta, during a brief ceremony held in his honor on the occasion of his first anniversary as head of the PIP.

He added that recently two men and two women have also been arrested in Arequipa and in Ayacucho on charges of carrying out several terrorist attacks in recent days.

With regard to the 16 prisoners from Andahuaylas, he added that police investigations point to their alleged responsibility for a series of terrorist dynamite attacks at several places and against electric power system towers in Apurimac. Those individuals, the director general said, are now in the Lurigancho jail at the disposition of the proper legal authorities.

At the same time, Ipinze thanked newspapers, radio and television for their cooperation with the Peruvian Investigative Police during his first year in command of that agency. He pointed out that during this time the new PIP Antiterrorism Division and the Narcotics Directorate have played an important role.

**Four Terrorists Attacks in Lima Yesterday**

Four terrorist attacks, resulting in property damage, occurred yesterday in Lima. Two of the attacks took place at ELECTROLIMA facilities in Chosica and San Juan de Miraflores.

The others occurred at Super Epsa in the Tupac Amaru settlement in San Luis and at the Union glass factory in block 17 of Argentina avenue, whose people are on strike.

The doors, windows and walls of the ELECTROLIMA installation in Chosica, on 28 July avenue, were damaged in the explosion. Similar damage occurred in that firm's offices in San Juan de Miraflores. The explosion, which took place at 0100 hours, damaged equipment and blew out the metal entrance door.

At almost the same time the glass factory was ripped by another explosion which partially destroyed the wooden door and a telephone booth nearby.

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COUNTRY SECTION

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BRIEFS

AIR TRAFFIC CONTROLLERS' MEETING--More than 250 delegates from the 20 member countries of the International Federation of Air Traffic Controllers Associations (IFATCA) will meet in September in Lima to analyze their own union problems. At this meeting, called the Fourth North, Central and South American Regional Conference of IFATCA, the conferees will draw up a document to be presented to the proper authorities which will symbolize their united stand at the international level, according to a spokesman for the organizers. The conference will be held from 9 through 12 September, during which time it will examine, evaluate and make recommendations for the improvement of the professional quality of the organization, which includes air traffic controllers from the entire world. The central theme of the deliberations will be: "The Civic and Personal Responsibilities of Exercising One's Profession." It will also review licenses, obligations and responsibilities and legal, administrative, medical and technical implications, as well as training aspects, the spokesman added. All sessions will be held at the Hotel Crillon. [Text] [Lima EL COMERCIO in Spanish 29 Jul 81 p A-7] 8735

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